

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2009-489-E - ORDER NO. 2010-471

JULY 15, 2010

IN RE:	Application of South Carolina Electric & Gas Company for Increases and Adjustments in Electric Rate Schedules and Tariffs	)	ORDER APPROVING STIPULATIONS AND INCREASE IN RATES AND CHARGES
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**I. INTRODUCTION**

This matter comes before the Public Service Commission of South Carolina (the “Commission”) on the Application of South Carolina Electric & Gas Company (“SCE&G” or the “Company”) for adjustments in its rates, charges, and tariffs for retail electric service in South Carolina (the “Application”). The Application was filed on January 15, 2010 and was made pursuant to S.C. Code Ann. §§ 58-27-820 and 58-27-870 (1976, as amended), and 26 S.C. Code Ann. Regs. § 103-823 (1976, as amended).

SCE&G is an electric utility engaged in the business of generating, transmitting, distributing, and selling electric power to the public and, as discussed in more detail below, its retail electric operations in South Carolina are subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. §§ 58-3-140(A); 58-27-140(1); 58-27-810; and other statutes. The Company’s electric rates and tariffs were last approved by the Commission in Order No. 2007-855, dated December 14, 2007, Docket No. 2007-229-E. That Order provided for an increase in annual retail revenues of \$76.9 million for the

Company with an authorized Return on Common Equity (“ROE”) of 11%; however, rates were set on a ROE of 10.7%. The rates and tariffs as requested in the Application in this docket would produce an increase in annual retail revenues of \$197,575,000 and provide a ROE of 11.6%.

The Commission’s Clerk’s Office instructed the Company to publish a Notice of Filing and Hearing (“Notice”) in newspapers of general circulation in the area affected by the Company’s Application by February 9, 2010. The Notice indicated the nature of the Company’s Application and advised the public that evidentiary hearings on the Application were scheduled to begin May 24, 2010. It also advised those desiring to participate in the hearings of the manner and time in which to file appropriate pleadings. The Clerk’s Office further required the Company to (i) publish the Notice in newspapers of general circulation in the affected areas, and (ii) furnish the Notice directly to all customers affected by the proposed rates and charges by March 8, 2010. On February 25, 2010, the Company filed with the Commission affidavits demonstrating that the Notice was duly published in accordance with the Clerk’s Office’s instructions. On March 9, 2010, the Company filed an affidavit certifying that a copy of the Notice was furnished to each affected customer.

During the course of these proceedings, the Commission also received numerous requests from members of the public that public hearings be held in this docket at various locations throughout SCE&G’s service territory. In response to these requests, the Commission ordered that four local public hearings be held. In accordance with the

Clerk's Office's instructions, the Company filed affidavits of proof of providing Notices of the ordered local public hearings to its customers on April 1, 2010 and April 27, 2010.

Timely Petitions to Intervene in this docket were received from CMC Steel South Carolina ("CMC Steel"); Pamela Greenlaw, *pro se* ("Ms. Greenlaw"); the South Carolina Energy Users Committee ("SCEUC"); the United States Department of the Navy on behalf of the Federal Executive Agencies ("Navy"); Tom Clements, *pro se* ("Mr. Clements"); Frank Knapp, Jr., *pro se* ("Mr. Knapp"); the Women's Shelter; Wal-Mart Stores East, LP ("Wal-Mart"); and Sam's East Incorporated ("Sam's"). The South Carolina Office of Regulatory Staff ("ORS") is a party to the proceedings in this docket as a matter of law pursuant to S.C. Code Ann. §§ 58-4-10(B) (Supp. 2009) and 58-33-140(l)(b) (Supp. 2009).

In response to the Application, ORS made on-site investigations of the Company's facilities, audited the Company's books and records, and gathered extensive information concerning the Company's electric operations.

On March 23, 2010, the Company filed the direct testimony and exhibits of ten witnesses: Kevin B. Marsh, President and Chief Operating Officer of SCE&G; Jimmy E. Addison, Senior Vice President and Chief Financial Officer ("CFO") of SCE&G; Stephen A. Byrne, Executive Vice President of Generation for SCE&G; James E. Swan, IV, Controller of SCANA Corporation; John R. Hendrix, Manager of Electric Pricing and Rate Administration with SCANA Services, Inc.; Tami S. Haselden, Manager of Financial Services for SCANA Services, Inc.; Robert B. Hevert, President of Concentric Energy Advisors, Inc.; Julie M. Cannell, President of J.M. Cannell, Inc.; Dr. Joseph M.

Lynch, Manager of Resource Planning for SCANA Services, Inc.; and John J. Spanos, Vice President of the Valuation and Rate Division of Gannett Fleming, Inc.

On May 3, 2010, ORS filed the direct testimony and exhibits of five witnesses: Sharon G. Scott, Audit Senior Manager for Rate Cases; Leigh C. Ford, Electric Specialist in the Electric Department; M. Anthony James, Associate Program Manager in the Electric Department; Daniel F. Sullivan, Auditor; and A. Randy Watts, Program Manager in the Electric Department. Also on May 3, 2010, SCEUC filed the direct testimony and exhibits of Kevin W. O'Donnell, President of Nova Energy Consultants, Inc. The Navy filed the direct testimony and exhibits of Nicolas Phillips, Jr. of Brubaker & Associates, Inc. Wal-Mart and Sam's filed the direct testimony and exhibits of Steve W. Chriss, Manager, State Rate Proceedings for Wal-Mart. The Women's Shelter filed the direct testimony of Kathy Riley, Director of the Women's Shelter.

On May 3, 2010, ORS filed with the Commission a Stipulation on Certain Matters ("First Stipulation") made between ORS, the Company, Mr. Knapp and Ms. Greenlaw. In support of the First Stipulation, ORS filed the testimony of David C. Parcell, President and Senior Economist of Technical Associates, Inc. On May 17, 2010, ORS filed a Second Stipulation on Certain Matters ("Second Stipulation") made between ORS, the Company, and Mr. Knapp. Concurrent with the filing of the Second Stipulation, SCE&G filed the testimony of Dr. Lynch in support of the First Stipulation and the rebuttal testimony of Mr. Hevert, Mr. Addison, and Mr. Swan.

On May 24, 2010, SCE&G filed a Third Stipulation on Certain Matters ("Third Stipulation") made between ORS, the Company, Mr. Knapp, Wal-Mart, Sam's, the Navy,

SCEUC and the Women's Shelter. At the close of the hearing, Ms. Greenlaw also signed the Third Stipulation and her signature was subsequently filed with the Commission. The Third Stipulation and its attachments are attached hereto as Order Exhibit No. 1 and are incorporated herein by reference. The First and Second Stipulations are included as attachments to the Third Stipulation and are accordingly also incorporated herein by reference. These three Stipulations are referred to collectively as the "Stipulations."

Of the 11 parties to this proceeding, only two, CMC Steel and Mr. Clements did not join in the Third Stipulation. CMC Steel did not participate in the hearing in this matter, and Mr. Clements indicated during the hearing that he did not object to the Stipulations.

As directed by the Commission, local public hearings were held on April 26, 2010, in Summerville, South Carolina; on April 27, 2010, in Charleston, South Carolina; on May 6, 2010 in Graniteville, South Carolina; and on May 24, 2010 in Columbia, South Carolina. During the course of these public hearings, the Commission heard statements presented by some 130 members of the public, with a total of approximately 500 persons in attendance. This Commission is appreciative of the time invested and efforts made by these public witnesses.

An evidentiary hearing was held in the hearing room of the Commission from May 24, 2010 through May 26, 2010. The Honorable Elizabeth B. "Lib" Fleming, Chairman of the Commission, presided. SCE&G was represented by K. Chad Burgess, Esquire; Mitchell M. Willoughby, Esquire; Matthew W. Gissendanner, Esquire; and Belton T. Zeigler, Esquire. ORS was represented by Nanette S. Edwards, Esquire, and

Shannon Bowyer Hudson, Esquire. SCEUC was represented by Scott Elliott, Esquire. Wal-Mart and Sam's were represented by Thomas L. Moses, Esquire and Alan R. Jenkins, Esquire. The Navy was represented by Audrey Van Dyke, Esquire. The Women's Shelter was represented by Stephen R. Suggs, Esquire. CMC Steel did not appear at the hearing. Ms. Greenlaw, Mr. Clements, and Mr. Knapp each appeared *pro se*.

## **II. THE COMMISSION'S JURISDICTION AND PROCEDURAL ISSUES RELATED TO THE STIPULATIONS**

As set forth in the Application, SCE&G is an electric utility engaged in the business of generating, transmitting, distributing, and selling electric power to more than 650,000 customers in 24 counties in central and southern South Carolina. SCE&G's retail electric operations in South Carolina are subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. § 58-3-140(A). "The commission is vested with power and jurisdiction to supervise and regulate the rates and service of every public utility in this State and to fix just and reasonable standards, classifications, regulations, practices, and measurements of service to be furnished, imposed, or observed, and followed by every public utility in this State." S.C. Code Ann. § 58-3-140 (A). Under S.C. Code Ann. § 58-27-810, "[e]very rate made, demanded or received by any electrical utility . . . shall be just and reasonable." Under S.C. Code Ann. § 58-27-860, any electric utility that proposes to change its rates must first receive approval to do so from the Commission. Chapter 27, Article 7 of Title 58 sets forth the standards that govern the notice, hearings and other procedures related to the Commission's consideration of the

Application. In carrying out these duties in relation to the Settlement Stipulations, the Commission's published "Settlement Policies and Procedures" (Revised 6/13/2006) are applicable to guide this proceeding. Specifically, Section II of the Settlement Policies and Procedures, titled "Consideration of Settlements," states:

When a settlement is presented to the Commission, the Commission will prescribe procedures appropriate to the nature of the settlement for the Commission's consideration of the settlement... [W]hen the settlement presents issues of significant implication for other utilities, customers, or the public interest, the Commission will convene an evidentiary hearing to consider the reasonableness of the settlement and whether acceptance of the settlement is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy. Approval of such settlements shall be based upon substantial evidence in the record.

As indicated by the procedural history set forth above, the proceedings in this docket are in compliance with these requirements. Because this case presented issues of significant implication for the utility and the public interest, hearings have been held to consider the merits of this case, including the parties' stipulations, and we now proceed to evaluate the record in this proceeding.

The Stipulations submitted in the record of this proceeding cover all issues raised here and present the Commission with a proposed comprehensive resolution of this proceeding that has been endorsed by nine of the eleven parties to the proceeding. The nine stipulating parties ("stipulating parties") include the full spectrum of interests represented here, including the Company; ORS, which represents the public interest; the SCEUC, which represents large industrial customers; three large general service/medium general service customers who intervened in the proceedings individually, *i.e.*, the Navy,

Wal-Mart and Sam's; Mr. Frank Knapp, who is president of the South Carolina Small Business Chamber of Commerce; the Women's Shelter, which advocates for its clients who are low income residential customers; and one individual residential customer, Ms. Greenlaw. Of the two remaining parties, Mr. Clements did not object to the Stipulations and CMC Steel did not participate in the hearing.

The Commission convened and conducted a full evidentiary hearing in this matter and considered all issues raised resulting from the Application in light of the evidence presented. The Commission considered the Stipulations and examined the question of whether approval of the Stipulations would be just, fair and reasonable, in the public interest and otherwise in accord with law and regulatory policy. For the reasons set forth below, the Commission finds that approval of the Stipulations will result in rates that are just and reasonable, in the public interest, and in accordance with applicable law and regulatory policy.

### **III. THE TERMS OF THE STIPULATIONS**

The Stipulations, along with a chart showing the resulting rate increases by customer class, rate schedules and tariff sheets, were accepted into the record of the hearing as Hearing Exhibits Nos. 15 and 16. The Stipulations reduce the requested 11.6% ROE to 10.7%. In total, the Stipulations reduce the revenue increase requested by SCE&G from \$197,575,000 to \$101,248,000 before two decrement riders that further reduce the revenue requirements during the first two years that new rates are in effect. Specifically, during the first year in which rates are effective, the revenue requirement is reduced by a \$25 million credit as the result of the First Stipulation creating a pilot



weather normalization adjustment (“WNA”) mechanism for residential and small general service commercial customers in recognition of the weather sensitivity of these customer classes. In addition, during the first and second years in which rates are effective, the revenue requirement is further reduced by \$48,725,000 (approximately \$24,362,500 per year) as the result of accelerated flow back of Economic Impact Zone (“EIZ”) Investment Tax Credits. The resulting net revenue increase is approximately \$51.8 million (a 2.5% revenue increase) for the first twelve months rates are effective, approximately \$77 million (an additional 1.2% revenue increase) for the second twelve months rates are effective and approximately \$101.2 million thereafter (an additional 1.18% revenue increase).<sup>1</sup> After the decrements expire, the resulting overall revenue increase is 4.88%. See Hearing Exhibit No. 16. The Stipulations also reflect acceptance of all ORS accounting and pro forma adjustments set forth in ORS Audit Exhibit SGS-2. See Hearing Exhibit No. 40 (SGS-2).

The Stipulations also contain several other relevant provisions that provide for (a) suspension of the collection of the storm damage rider of approximately \$6.4 million until further order of the Commission; (b) continued withdrawal of storm damage insurance policy premiums from the Storm Damage Reserve Fund that currently amounts to \$3,060,000; (c) continuation of Rate 21A, an experimental time-of-use rate for medium general service customers; (d) agreement to remove the additional tree trimming expenses requested by the Company; and (e) utilization of an eight-year cycle over which to calculate its major maintenance accrual. SCE&G also agreed not to seek an increase in

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<sup>1</sup> Due to rounding, the numbers do not total.

its retail electric rates and charges to be effective prior to June 2012, with the exception of those increases sought pursuant to S.C. Code Ann. § 58-27-865 and § 58-33-280, or as part of SCE&G's Demand Side Management/Energy Efficiency ("DSM/EE") programs, or where necessary due to unforeseen economic or financial conditions.

#### **IV. THE HEARING**

At the merits hearing in this matter, SCE&G presented the pre-filed direct and rebuttal testimony of each of its ten witnesses, except for Dr. Lynch, whose Stipulation testimony was presented. The Company's President, Mr. Marsh, testified concerning the Company's electric operations, recent infrastructure improvements, customer service efforts and achievements, response to the current economic problems, efforts to assist customers with financial difficulties, and efforts to reduce costs to delay or minimize the requested rate increase. The Company's Executive Vice President for Generation, Mr. Byrne, testified concerning the Company's generation operations and the recent capital improvements made to the Company's generation system, including major safety and environmental improvements. The Company's CFO, Mr. Addison, testified concerning the financial drivers of the rate increase, the current financial posture of the Company, the Company's future financial needs and plans, conditions in current capital markets and the ability of the Company to operate within the ROE and revenues provided for in the Stipulations. The Company's Controller, Mr. Swan, testified concerning various accounting matters and the pro forma adjustments proposed to the Company's test year financial results. Mr. Hendrix testified concerning the Company's cost of service, rate design and tariffs. Ms. Cannell testified concerning the investment community's

perception of the risks of investing in electric utilities generally and the Company specifically. Ms. Haselden testified concerning the Company's proposed treatment of the EIZ Tax Credit. Mr. Hevert testified concerning a reasonable ROE for the Company and an appropriate capital structure for the Company. Mr. Spanos testified as to the Company's depreciation study. Witnesses Marsh, Byrne, Addison, Swan, Hendrix, Cannell, Hevert and Lynch specifically testified in support of the Stipulations or relevant aspects of them.

ORS witnesses Ms. Scott and Mr. Sullivan testified as to ORS's audit of the information supporting SCE&G's Application and certain proposed adjustments that were adopted as a part of the Stipulations. ORS witness Ms. Ford testified regarding wages, benefits, payroll taxes, the storm reserve fund, storm insurance premiums and other adjustments, all of which were incorporated in the Stipulations. ORS witness Mr. James testified regarding ORS's review of the Company's cost of service studies and other matters which also were affirmed as part of the Stipulations. ORS witness Mr. Watts testified regarding rate design, depreciation, and certain other proposed adjustments included in the Stipulations. ORS witness Mr. Parcell testified in support of the Stipulations and the ROE contained therein. SCEUC witness Mr. O'Donnell presented testimony concerning ROE and other matters and in support of the Stipulations. The Women's Shelter's Director, Ms. Riley, testified concerning the impact of electricity prices on the women that her organization serves and also spoke in support of the Stipulations.

## V. FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon the Application, testimony, exhibits and the Stipulations received into evidence at the hearing and the entire record of these proceedings, the Commission makes the following findings of fact and conclusions of law:

1. The Commission has jurisdiction over SCE&G retail electric rates, charges and terms and conditions of service as generally provided in S.C. Code Ann. § Ann. §§58-27-10, *et seq.*

2. SCE&G is lawfully before the Commission based upon its Application for a general increase in its retail electric rates filed pursuant to S.C. Code Ann. §§ 58-27-820 and 58-27-870 and 26 S.C. Code Ann. Regs. 103-823.

3. The twelve-month period ending September 30, 2009 is an appropriate historical test period for the purposes of setting rates in this proceeding.

4. The original cost rate base for SCE&G's retail operations as of the close of the test year, including appropriate pro forma adjustments, was \$4,759,342,000 and consists of the components set forth in Table B of this Order.

5. An eight-year cycle of major maintenance costs from 2010 to 2017 is appropriate for calculating the adjustment for the major maintenance accrual. Interest on the major maintenance account shall be based upon the 3-Year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, either in print edition or its website, plus an all-in spread of 65 basis points (0.65 percentage points).

6. The Storm Damage Reserve Rider is suspended subject to future reinstatement by the Commission.

7. SCE&G is not allowed additional tree trimming expenses.
8. The storm damage insurance premium may continue to be withdrawn from the Storm Damage Reserve Fund.
9. In its Application, the Company sought an increase in annual revenues of \$197,575,000; however, as a result of the Stipulations, the net increase in operating revenues is \$101,248,000, excluding the decrement riders.
10. The capital structure for the determination of the fair overall rate of return for SCE&G in this proceeding is its capital structure as of September 30, 2009. This consists of 47.04% long-term debt and 52.96% common equity including known and measurable adjustments.
11. The rate of return on common equity which SCE&G should be allowed the opportunity to earn is 10.70%.
12. The capital structure and cost of capital produce an overall rate of return of 8.56% for SCE&G retail electric operations as depicted in the following table:

**TABLE A**  
**CAPITAL STRUCTURE**

<u>Component Of Capital Structure</u>	<u>Ratio</u>	<u>Embedded Cost/Rate</u>	<u>Overall Cost/Rate</u>
Long Term Debt	47.04%	6.14%	2.89%
Common Equity	<u>52.96%</u>	10.70%	<u>5.67%</u>
Total	<u>100.00%</u>		<u>8.56%</u>

13. The rate designs and rate schedules set forth in the Stipulations and the attachments thereto are just and reasonable and supported by the evidence of record.

14. The depreciation rates contained in the depreciation study are appropriate for use by the Company in determining depreciation expense related to its electric and common plant.

15. The agreement set forth in the Third Stipulation that SCE&G not seek an increase in its non-fuel base rates and charges to be effective prior to June 2012, except those increases requested pursuant to S.C. Code Ann. § 58-27-865 and § 58-33-280, or as part of SCE&G's Demand Side Management (DSM)/Energy Efficiency (EE) programs or where necessary due to unforeseen economic or financial conditions, is just and reasonable, all of these circumstances being reviewable by this Commission.

16. The decrement rider proposed for adjusting rates to reflect the amortization over two years of the \$48,725,000 balance of EIZ Tax Credits to all retail classes of SCE&G's customers on a kilowatt-hour ("kWh") basis in the amount of \$0.00114/kWh is just and reasonable and supported by the substantial evidence contained in the record of this docket.

17. The implementation of a twelve-month pilot WNA mechanism for residential and commercial customers receiving electric service under rate schedules 1, 6, 8, and 9 is just and reasonable and is supported by the substantial evidence contained in the record of this docket.

18. The decrement rider to reduce rates to residential and small general service customers by a total of \$25 million over twelve months, which is contingent on

adoption of the pilot Weather Normalization Adjustment mechanism, is just and reasonable and is supported by the substantial evidence contained in the record of this docket.

## **VI. EVIDENCE AND CONCLUSIONS**

The evidence and conclusions supporting the findings of the Commission in this matter are as follows:

### **A. EVIDENCE AND CONCLUSIONS CONCERNING JURISDICTION**

#### **(FINDINGS OF FACT NOS. 1 - 2)**

SCE&G is an electric utility subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. § 58-3-140(A) (Supp. 2009). Evidence concerning SCE&G retail customers, service and service territory is contained in the Application in this proceeding and the testimony of the Company's President Mr. Marsh. Tr. p. 439.

### **B. EVIDENCE AND CONCLUSIONS CONCERNING THE TEST PERIOD**

#### **(FINDING OF FACT NO. 3)**

In setting utility rates, South Carolina uses a historical twelve-month test period. 26 S.C. Code Ann. Regs. 103-823(A)(3) (Supp. 2009). The historic test year is based upon actual results for the twelve-month period; however, the Commission has recognized adjustments to the actual results for known and measurable changes occurring after the close of the test period data or to adjust for abnormal or non-recurring items in test period data. Evidence concerning the appropriate test year for setting rates in this proceeding was provided by Company Witness Addison (Tr. p. 804) and ORS Witness Scott (Tr. p. 1483). The twelve months ending September 30, 2009, encompass the most

recent year for which accounting information was available at the time that the Application in this matter was filed. The Commission finds it to be a reasonable period upon which to base its ratemaking determinations in this proceeding.

**C. EVIDENCE AND CONCLUSIONS CONCERNING THE RETAIL ELECTRIC RATE BASE**

**(FINDING OF FACT NO. 4)**

The South Carolina Supreme Court has defined rate base as “the amount of investment on which a regulated public utility is entitled to an opportunity to earn a fair and reasonable return; and represents the total investment in, or the fair value of, the used and useful property which it necessarily devotes to rendering the regulated services.” Hamm v. Public Service Commission, 422 S.E. 2d 110, 112 (S.C.1992). “Rate base should reflect the actual investment by investors in the Company’s property and value upon which stockholders will receive a return on their investment.” Parker v. S.C. Public Service Commission, 313 S.E. 2d 290, 292 (S.C. 1984).

The Commission has the statutory authority, after hearing, to “ascertain and fix the value of the whole or any part” of SCE&G’s rate base, and may “ascertain the value of all new construction, extensions and additions” to such property. S.C. Code Ann. § 58-27-180. ORS conducted an examination of SCE&G’s books and verified the operating experience and rate base reported by SCE&G in its Application were supported by the Company’s accounting books and records. Tr. p. 1482. The results of ORS’s examination were agreed to by the stipulating parties for purposes of this proceeding. Hearing Exhibit No. 15. Neither of the two non-stipulating parties challenged ORS’s conclusions regarding this matter or presented testimony in opposition. On the basis of



ORS's examination, hearing exhibits, and testimony contained in the record of the hearing, the Commission can determine and find the proper components of SCE&G's rate base as well as the related accounting adjustments. The Commission hereby adopts the following as the Company's rate base for the test period ended September 30, 2009:

TABLE B  
RATE BASE  
RETAIL ELECTRIC  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2009

Rate Base	
<i>\$ in 000's</i>	
Gross Plant in Service	\$7,623,109
Accumulated Depreciation	<u>(\$2,836,327)</u>
Net Plant	\$4,786,782
CWIP	\$429,742
Deferred Debits/Credits	(\$112,248)
Total Working Capital	\$54,632
Materials & Supplies	\$273,080
Accumulated Deferred Income Taxes	(\$672,646)
<b>Total Original Cost</b>	<hr/>
	<b>\$4,759,342</b>
<b>Rate Base</b>	<hr/> <hr/>

**D. EVIDENCE AND CONCLUSIONS CONCERNING REVENUES,  
EXPENSES AND INCOME**

**(FINDINGS OF FACT NOS. 5-9)**

The Company sought an increase in annual revenues of \$197,575,000; however, as a result of the adjustments agreed to in the Stipulations, the net increase in operating revenues is \$101,248,000, excluding the decrement riders. The South Carolina Supreme Court has concluded that adjustments to the test year should be made for known and measurable out-of-period changes in expenses, revenues and investments that would materially alter the rate base. Parker v. S.C. Public Service Commission, 313 S.E.2d at 292. The Commission's findings regarding the adjustments to the test year data are set forth below.

**1. ADJUSTMENTS TO REVENUE**

**New Nuclear Revenue and Construction Work in Progress ("CWIP")** – SCE&G's construction of V.C. Summer Station Units 2 & 3 ("Units") is proceeding under the terms of the Base Load Review Act, S.C. Code Ann. §58-33-210 *et seq.* See Order No. 2009-104(A). SCE&G is recovering the cost of capital associated with CWIP on the Units through revised rates authorized under that Act. By statute, revised rates are intended to function independently of base rates. Therefore, \$4,771,235 in revenue associated with revised rates was removed from the test period. In addition, investment in new nuclear CWIP as of the close of the test period was removed from rate base. These adjustments have been audited and verified by ORS and form part of the package of adjustments approved for rate making purposes in this matter by the stipulating parties. See Hearing Exhibit No. 40 (SGS-2). For the following reasons, these revenues and rate base

adjustments are approved and adopted by this Commission for rate making purposes in this proceeding.

**Wholesale Revenue Adjustment** – The City of Greenwood is a municipal customer located outside of SCE&G’s control area that SCE&G served for a number of years. In 2009, Greenwood elected not to renew its service contract with SCE&G. In response, SCE&G reduced test year total electric revenues and expenses to reflect the expiration of SCE&G’s wholesale contract with the City of Greenwood. ORS concurred with this adjustment and it has been accepted by all the stipulating parties. See Tr. p. 1485; Hearing Exhibit No. 15. The Commission finds this adjustment to be reasonable and appropriate as a means to adjust test period revenues for a change that is known and measurable.

**Storm Damage Rider** – As part of the Stipulations, the stipulating parties agreed that collection of the storm damage rider shall be suspended, subject to future reinstatement by the Commission. At present, the Fund has a balance of over \$45 million with \$6,399,812 having been collected under the rider during the test year. The Commission finds and concludes that in the present economic circumstances, the suspension of the storm damage rider is in the public interest, is just and reasonable, and is supported by substantial evidence in the record.

## **2. ADJUSTMENTS TO EXPENSE RELATED TO WAGES, BENEFITS, INCENTIVE PAY AND HEALTH CARE COSTS**

**Salary Increases for Non-Exempt Workers** – The annualization of wage and benefit expense levels as measured at the end of a test period is a standard adjustment for rate making purposes and Company salaries were reflected in the pro forma adjustment for

wage and benefit annualization. However, in light of the current economic situation, ORS recommended only annualizing those salaries associated with union employees. As part of the Stipulations, the stipulating parties agreed to the adjustments proposed by ORS to reduce the Company's pro forma adjustment by \$3,379,370. ORS also made corresponding adjustments on payroll taxes and other related items. Based on the Company's agreement with this adjustment as reflected in the Stipulations, and the agreement of the other stipulating parties, the Commission adopts the ORS proposed adjustments for purposes of this proceeding only.

**Incentive Pay** –In its Application, the Company included a pro forma adjustment of \$8,205,121 which would reduce test period expenses for one-half of the incentive pay accrued during the test period. This was the treatment approved for incentive pay in its previous rate case. ORS proposed to reduce test year expenses for incentive pay by \$16,410,241. This has the effect of entirely eliminating incentive pay from test period expenses. SCE&G agreed with this adjustment. The Commission adopts the ORS proposed adjustment for purposes of this proceeding only and eliminates incentive pay from test period expenses by adopting a pro forma adjustment to reduce expenses by \$16,410,241. A corresponding adjustment was made for related benefits and payroll taxes.

**Health Care Costs** – In the Application, SCE&G proposed a pro forma adjustment to increase test period health care expenses by \$1,010,843. This adjustment was based on the annualization of health care claims experienced during the last quarter of the test period. ORS recalculated this adjustment using data for the twelve-month period ending

February 2010. Tr. p. 1486. Based on this more recent data, ORS recommended an alternative pro forma adjustment reducing test period health care costs by approximately \$107,818. The stipulating parties agreed to this adjustment as part of the Stipulations. Based on that agreement, the Commission accepts it as an appropriate adjustment to test period expenses.

### **3. ADJUSTMENTS TO EXPENSE RELATED TO WATEREE AND WILLIAMS STATION ENVIRONMENTAL OPERATING COSTS**

**Williams Station Purchased Power Costs** – Williams Station is owned by South Carolina Generating Company (“GENCO”), a wholly owned SCANA subsidiary, and is operated by SCE&G. All of the output of Williams Station is purchased by SCE&G under a FERC-approved formula rate. Increases in the cost of generating power at Williams Station are recognized by SCE&G as increases in purchased power costs under the formula-rate contract with GENCO.

SCE&G proposed a pro forma adjustment to include in test period expenses the increase in GENCO purchased power costs associated with the construction and operation of the new scrubber at Williams Station. As the Company’s Witness Mr. Byrne testified, the Williams scrubber was placed in commercial service in February 2010 and has been operating successfully since that time. Tr. p. 726. In the Application, SCE&G proposed a pro forma adjustment of \$28,993,585 to reflect the additional purchased power cost associated with the new scrubber. ORS Witness Mr. Sullivan testified that he had recalculated the additional purchased power cost based on more current information and proposed to reduce the amount of the pro forma adjustment to \$26,980,874 on a total

electric basis, or a reduction in the pro forma test year expense of \$2,012,711. Tr. p. 1473.

The Commission finds that the change in purchased power expense due to the installation of the scrubber at Williams Station is appropriately recognized in those expenses through a pro forma adjustment. As part of the Stipulations, the stipulating parties agreed to the amount of the pro forma adjustment as proposed by the ORS. The Commission adopts that adjustment as just and reasonable.

**Wateree Scrubber Expenses** – Company Witness Mr. Byrne testified the Wateree scrubber was substantially completed in early 2009, but its start-up had been delayed due to permitting appeals related to facilities for the disposal of scrubber waste. Tr. p. 726. ORS Witness Mr. Sullivan testified that Wateree-related operating and maintenance (“O&M”) expense and depreciation expense should be disallowed because the Wateree scrubber was not in service. Tr. pp. 1472 and 1477. As part of the Stipulations, O&M expenses and depreciation expenses related to the Wateree scrubber are removed reducing pro forma test year expenses by \$15,141,495. In light of the agreement by stipulating parties, the Commission accepts the proposal not to include the Company’s proposed pro forma adjustments related to the O&M expense and depreciation expense of the Wateree scrubber in calculating the Company’s expenses for the purposes of setting rates in this proceeding.

**4. ADJUSTMENTS TO EXPENSE RELATED TO AMORTIZATION PERIODS FOR CERTAIN ACCRUED EXPENSES**

In the Application, SCE&G proposed to amortize into rates amounts deferred for certain purchased capacity charges, amounts associated with certain preliminary survey and investigation (“PSI”) costs related to proposed new groundwater quality standards, and amounts associated with certain “up-flow modifications” made at V.C. Summer Station Unit No. 1. Tr. p. 1245.

The deferral of costs incurred as a result of purchasing power to meet customer and system needs during the 2008-2018 time period was approved by the Commission in Order No. 2008-530. The deferred costs related to “up-flow” modification at V.C. Summer Station Unit No. 1 for future amortization into rates was approved in Order No. 2007-644. The deferral and amortization of PSI costs is being requested initially in this case.

As to the PSI costs, Mr. Swan testified that this expenditure resulted from National Pollution Discharge Elimination Standards related to groundwater quality that were proposed by the South Carolina Department of Health and Environmental Control (“DHEC”). Tr. p. 1245. According to Mr. Swan, they were later withdrawn by DHEC, but only after the Company had spent \$947,829 in planning and investigation costs in preparation for projects that would be required to comply with these standards. Tr. p. 1245. ORS audited these expenditures and found the costs, and their deferral and amortization, to be appropriate. Tr. p. 1530.

The Company proposed that the purchased capacity charges and PSI costs be amortized over three years, and the up-flow modification costs be amortized over 10

years. ORS Witnesses proposed that purchased capacity charges and PSI costs be amortized over ten years, and the up-flow modification costs be amortized over the 32 years remaining on the V.C. Summer Station Unit 1 Nuclear Operating License. The result of extending these amortization periods as proposed by ORS reduces the annual amortization expense. The stipulating parties agreed to extend the amortization periods as proposed by the ORS. Based on the Company's agreement, and that of the other stipulating parties, the Commission accepts the extended amortization periods as proposed by the ORS.

**5. ADJUSTMENTS TO EXPENSE RELATED TO THE V.C. SUMMER NUCLEAR STATION OUTAGE ACCRUAL**

Refueling outages at V.C. Summer Station Unit 1 occur on an 18-month cycle. Consistent with established precedent in past cases, the Company establishes an accrual, based on the estimated cost for each outage cycle, and recognizes that cost in equal monthly amounts over the 18-month cycle. In the Application and its testimony, SCE&G proposed a pro forma adjustment to test period expenses to reflect the annualized monthly outage accrual recognized as of the end of the test period. This amount was based on the actual cost of the Company's most recent refueling outage, which was refueling outage number 18.

ORS Witness Mr. Watts testified that the most recent refueling outage involved certain non-recurring maintenance projects and proposed that accrual rates be set based on the costs of refueling outage number 17, which took place in April of 2008. Tr. p. 1574. This reduced the annual accrual amount by \$2,037,037 annually. The stipulating parties agreed to the pro forma adjustment as proposed by the ORS's Witness Mr. Watts.



Based on the terms of the Stipulations, the Commission adopts this adjustment for purposes of this proceeding.

**6. ADJUSTMENTS TO EXPENSE RELATED TO THE TURBINE MAINTENANCE EXPENSE ACCRUAL**

In Order 2005-2, the Commission allowed SCE&G to set a levelized annual amount for turbine maintenance expense and record in a regulatory asset or liability account the differences between the levelized amount and the actual amount of turbine O&M expenses incurred. The goal of annualizing the turbine O&M expenses was to properly match maintenance expenses with the year-by-year use of the plants that caused such expense to be incurred. As the testimony in this proceeding indicates, this approach to turbine maintenance accrual has worked well and there has been a close match between the expense incurred and the amount of the accrual during the initial five-year period that the accrual has been in place. Tr. p. 730.

In its Application, SCE&G requested an increase in the annual turbine maintenance expense accrual by \$10,789,611. The Company also requested that the length of the cycle over which maintenance costs would be measured be increased from eight years, as was the basis for the accrual approved in Order No. 2005-2, to nine years. ORS Witness Mr. Watts supported the appropriateness of the major maintenance accrual, but proposed leaving the measurement cycle at eight years. Tr. p. 1575. Mr. Watts further testified that an increase in annual accrual of \$9,971,870 would be appropriate. Tr. p. 1571. This results in a reduction of the requested annual turbine maintenance expense of \$817,741. As part of the Stipulation, the stipulating parties accepted Mr. Watts' testimony and agreed to the annual accrual amount proposed by ORS. In addition,

the stipulating parties have agreed that, as proposed in the testimony of Mr. Watts, either over-collections or under-collections held in the accrual account should bear interest based upon the 3-year U.S. Government Treasury Notes, as reported in the Wall Street Journal, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points). In light of the agreement of the stipulating parties, the Commission finds that the major maintenance accrual for steam turbines as set forth in the Stipulations is just and reasonable and should be approved.

#### **7. ADJUSTMENTS TO TREE TRIMMING EXPENSE**

Under new federal reliability standards, it is now mandatory that utilities adopt and carry out a documented vegetation management plan. Tr. p. 463. Failure to execute the plan as adopted subjects the utility to self-reporting requirements and potential monetary penalties. Tr. p. 463.

SCE&G determined that a five-year tree trimming cycle is the optimal cycle for tree trimming given the climate and rapid growth rates in this area. Tr. p.465. Since 2008, SCE&G has been making significant investments to achieve that cycle. The amount of expense for tree trimming reflected in current rates is approximately \$13.2 million. In Order Nos. 2009-87 and 2009-845, the Commission permitted the Company to spend an additional \$9,000,000 in 2008-2009 and an additional \$6,800,000 in 2010 for tree trimming and vegetation management work beyond the \$13.2 million in current rates. These Orders allowed the Company to charge the additional expense against the Storm Damage Reserve Fund.

In its Application, the Company proposed a pro forma adjustment of \$6,612,809 to increase test year tree trimming expenses. This pro forma adjustment was proposed in light of the additional cost the Company projects to be incurred in achieving a five-year cycle in 2011 and the additional cost of maintaining that cycle after the funds provided for in Order Nos. 2009-87 and 2009-845 have been spent. As an alternative to the pro forma adjustment proposed by the Company, ORS proposed an adjustment that would reduce test year expense by \$2,739,980, which would return test year expenses to their 2007 level. As part of the Stipulations, and for purposes of this proceeding only, the Company and other stipulating parties stipulated to the pro forma adjustment proposed by ORS. In light of the Stipulations, the Commission finds that the current amount in rates of \$13.2 million is just and reasonable.

#### **8. ADJUSTMENTS TO THE STORM INSURANCE PREMIUMS**

SCE&G proposed ceasing to charge storm insurance premiums against the Storm Damage Reserve Fund, and instead proposed a pro forma adjustment to reflect the cost of these premiums in rates. In the Stipulations, and in light of current economic conditions, the stipulating parties have agreed that these premiums will continue to be charged against the Storm Damage Reserve Fund. The effect of this agreement is to reduce pro forma test year expenses. Based on the Stipulations and the agreements reflected there, the Commission finds that continuing to charge these premiums against the reserve is in the public interest at the present time and is supported by substantial evidence in the record.

**9. OTHER PRO FORMA ADJUSTMENTS TO TEST PERIOD REVENUE, EXPENSES AND RATE BASE ITEMS**

In total, ORS sponsored over 70 pro forma adjustments to individual revenue, expense and rate base items. See Hearing Exhibit 40 (Exhibit SGS-2). Under the terms of the Stipulations, and for purposes of setting rates in this proceeding only, the stipulating parties accepted the pro forma adjustments as proposed by ORS and the revenue requirement they produce. The non-stipulating parties did not oppose the ORS pro forma adjustments or provide evidence to refute their reasonableness. Accordingly, the Commission finds that the evidence of record supports ORS's conclusion that the appropriate operating expenses for the Company's retail operations for the test year under its present rates and after accounting and pro forma adjustments is \$1,701,087,000, which reflects the effect of the pro forma adjustments as proposed by ORS and as discussed above.

**E. EVIDENCE AND CONCLUSIONS REGARDING RATE OF RETURN AND CAPITAL STRUCTURE**

**(FINDINGS OF FACT NOS. 10 - 12)**

In setting rates, the Commission must determine a fair rate of return that the utility should be allowed the opportunity to earn after recovery of its expenses of utility operations. The applicable legal standards are set forth in Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591, 602-03 (1944) and Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia, 262 U.S. 679, 692-73 (1923) and were adopted by the South Carolina Supreme Court in Southern Bell

Telephone & Telegraph Co. v. S.C. Public Service Commission, 270 S.C. 590, 595-96, 244 S.E.2d 278,281 (1978).

Specifically, Bluefield holds that:

What annual rate will constitute just compensation depends upon many circumstances, and must be determined by the exercise of a fair and enlightened judgment, having regard to all relevant facts. A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting the opportunities for investment, the money market and business conditions generally.

Bluefield, 262 U.S. at 692-73, as quoted in Southern Bell Telephone, 244 S.E.2d at 281.

These cases also establish that the process of determining rates of return requires the exercise of informed judgment by the Commission. As the South Carolina Supreme Court has held,

the Commission was not bound to the use of any single formula or combination of formulae in determining rates. Its ratemaking function, moreover, involves the making of 'pragmatic adjustments' .... Under the statutory standard of 'just and reasonable' it is the result reached not the method employed which is controlling .... The ratemaking process under the Act, i.e., the fixing of 'just and reasonable' rates, involves the balancing of the investor and the consumer interests.

Southern Bell Telephone, 244 S.E.2d at 281.

From these authorities, the Commission has derived the following four points to guide it in these matters:

- 1) The rate of return should be sufficient to allow SCE&G the opportunity to earn a return equal to firms facing similar risks;
- 2) The rate of return should be adequate to assure investors of the financial soundness of the utility and to support the utility's credit and ability to raise capital needed for on-going utility operations at reasonable cost;
- 3) The rate of return should be determined with due regard for the present business and capital market conditions facing the utility;
- 4) The rate of return is not formula-based, but requires an informed expert judgment by the Commission balancing the interests of shareholders and customers.

See Order No. 2005-2, p. 83. Finally, the Commission notes that “[t]he determination of a fair rate of return must be documented fully in its findings of fact and based exclusively on reliable, probative, and substantial evidence on the whole record.” Porter v. S.C. Public Service Commission, 504 S.E.2d 320, 323 (S.C. 1998), citing S.C. Code Ann. § 58-5-240 (Supp. 2003); *accord* S.C. Ann. § 58-27-870(G) (Supp. 2003).

At the hearing in this matter, five witnesses testified in support of a ROE of 10.7%, which is the ROE agreed to by the stipulating parties. It is also the same ROE the Commission approved for the Company in 2007. See Order No. 2007-855.

SCE&G witness Mr. Hevert determined that a reasonable expectation of the return for equity investors in companies comparable to SCE&G would be between 10.7%

and 11.9%. Tr. p. 1070. In support of the stipulated ROE of 10.7%, Mr. Hevert noted that this ROE was at the very low end of his range but within the range of reasonableness. He supported the ROE at this level given the determination by the Company's management that it could successfully operate the Company within the revenues resulting from the Stipulations as a whole. Tr. p. 1149. SCE&G witness Mr. Addison added that based upon the present state of the economy and the steps that SCE&G has taken to reach an agreement with the stipulating parties in this case, he believes that the 10.7% ROE agreed upon in the Stipulations would be acceptable to the investment community and would appropriately balance the interests of SCE&G, its customers, and the investment community. Tr. pp. 834-35.

Ms. Julie M. Cannell, President of J.M. Cannell, Inc., testified on conditions in capital markets and investor expectations and concerns related specifically to SCANA and to this proceeding. Ms. Cannell is a former utility fund manager with extensive Wall Street experience. As Ms. Cannell testified, the investment community continues to regard utility investments as primarily defensive investments focusing on stable performance and regular dividends. Tr. p. 930. At the hearing Ms. Cannell testified she believed that the markets would support a 10.7% ROE based on the fact that the Company agreed to it in the context of the Stipulations with ORS and other parties. Tr. p. 964.

ORS Witness Parcell also testified in support of the stipulated 10.7% ROE. According to Mr. Parcell, at the time the Stipulations were entered, he had reviewed and evaluated SCE&G's financial data and had prepared a preliminary analysis of SCE&G's

cost of common equity. Based upon his review and analysis of this information and the Stipulations, and in light of the ROE's being granted by other Commissions, Mr. Parcell testified that a 10.7% ROE for SCE&G lay within the range of reasonableness of equity returns for electric utilities at this time. Tr. p. 1466.

Mr. Kevin W. O'Donnell, President of Nova Energy Consultants, Inc., testified on behalf of SCEUC. Mr. O'Donnell was the only witness whose initial ROE recommendation for SCE&G was lower than 10.7%; however, in light of the Stipulations, Mr. O'Donnell testified in support of a 10.7% ROE.

The Commission carefully considered all of the evidence set forth above. All stipulating parties supported a ROE for the Company of 10.7%. No witness or party has controverted the conclusion that, within the context of the Stipulations, 10.7% is the appropriate ROE for SCE&G. In addition, this 10.7% ROE is the same as the ROE on which rates have been set for the Company in the past two rate proceedings. Based on the substantial evidence available in the record, and considering the evidence and testimony given in support of the 10.7% ROE proposed in the Stipulations, the Commission concludes that a ROE of 10.7% for SCE&G is just and reasonable and will support the interest of all parties by allowing the Company continued access to capital at reasonable rates.

With respect to the Company's capital structure, Company Witness Mr. Swan sponsored Exhibit No. 32 (JES-7) which sets forth the Company's capital structure as of September 30, 2009 including debt issuances and equity sales occurring after the close of the test period. This information was audited by ORS and presented by ORS Witness



Ms. Scott in Exhibit No. 40, (SGS-6). These exhibits show that SCE&G's capital structure as of September 30, 2009 consisted of 47.04% long-term debt and 52.96% common equity. SCE&G's embedded cost for long-term debt was 6.14%. Id. The resulting overall rate of return is 8.56%.

**F. EVIDENCE AND CONCLUSIONS CONCERNING RATE DESIGN**  
**(FINDINGS OF FACT NO. 13)**

**1. GENERAL PRINCIPLES**

An electric utility's rate structure should enable it to generate its revenue requirement without unduly burdening one class of customer to the benefit of another. Accordingly, rates for customer classes should reflect the cost incurred to serve each customer class and also should serve to encourage the efficient utilization of the electric system such that costs for all customer classes are minimized.

**2. THE COMPANY'S COST OF SERVICE STUDY**

A cost of service study allocates a company's rate base, revenues and expenses between its various customer classes and services. The Company's Fully Allocated Cost of Service Study, showing the allocation of customer costs, demand costs and energy costs among customer classes, was sponsored by SCE&G's Witness Mr. Hendrix and entered into evidence as Exhibit No. 36 (JRH-2). ORS reviewed this study and audited the data on which it was based. ORS Witness Mr. James testified that the methodology applied in performing the cost study was appropriate and the study provides a reasonable assessment and allocation of the Company's revenues, operating expenses and rate base items. Tr. p. 1557. SCEUC Witness Mr. O'Donnell also testified in support of the study

and specifically supported the use of the summer coincident peak methodology as appropriate to allocate generation investment. Tr. p. 1444. Based on this testimony and the terms of the Stipulations, the Commission adopts the cost of service study presented by SCE&G as the appropriate basis on which to allocate cost for the purposes of establishing and evaluating rates in this proceeding. See Hearing Ex. No. 36 (JRH-3).

### **3. ALLOCATION OF REVENUE**

Retail electric rates should produce rates of return among classes that bear a reasonable relationship to the Company's overall rate of return. The Commission has accepted the principle that a customer class' rate of return bears a reasonable relationship to the overall rate of return so long as the rate of return for each customer class falls within plus 10% or minus 10% of the theoretical 100% level for the overall rate of return. See Order No. 2005-2, p. 109. At times, changing conditions may cause some customer classes to fall outside the 10% band that the Commission uses as its guide. Nonetheless, as the Commission has stated in past orders, ordinarily there should be movement toward more equal rates of return among the classes even where the 10% band cannot be reached immediately. See Order 1996-15, p. 72. As explained by SCE&G witness Mr. Hendrix, the Company uses the plus or minus 10% standard as a guide, but it believes that it is important to take measured steps when adjusting rates among classes of customers. Based on the testimony of Mr. Hendrix and the terms of the Stipulations, the Commission adopts the allocation of revenue as set forth in the Stipulations.

#### **4. BASIC FACILITIES CHARGE**

In its Application, the Company proposed to increase the Basic Facilities Charge (“BFC”) for all customer classes. The Company’s proposed increase was \$1.50 for residential and small general service rates. Hearing Exhibit No. 36 (JRH-4). The Company proposed an increase to its monthly BFC in its medium general service class of \$30.00 and an increase of \$225.00 in the BFC for its large general service class. Id. Mr. Hendrix testified that, even after the proposed increase, the amount of the BFC charge will still be significantly less than the actual expenditures necessary to provide customers with the ability to use electricity. Tr. p. 1318. In his testimony, ORS Witness Mr. Watts supported the proposed BFC charges for non-residential customers, but recommended that the Commission limit any increase to the BFC for the standard residential rates to \$0.50 or less. Tr. p. 1577. As reflected in the tariff sheets attached to the Stipulations, the Company has agreed to limit the increase in BFC for standard residential service to \$0.50, and to reduce the increases to the BFC for other rate classes. The Commission finds the BFC charges, as modified in the Stipulations, are just and reasonable.

#### **G. EVIDENCE AND CONCLUSIONS REGARDING THE NEW DEPRECIATION STUDY**

##### **(FINDINGS OF FACT NO. 14)**

The current depreciation rates for the Company’s electric and common plant assets were approved by this Commission in Order No. 2005-2. Prior to filing the Application in this proceeding, the Company commissioned John J. Spanos, Vice President of the Valuation and Rate Division of Gannett Fleming, Inc. to perform a new study to ascertain the appropriate rates to be used currently in depreciating the

Company's electric and common plant. Mr. Spanos appeared as a witness in this proceeding to present his study for review and approval by this Commission. See Hearing Exhibit No. 28 (JJS-1). Based on the results of this study, ORS proposed a pro forma adjustment to reduce test period depreciation expense by the amount of \$13,474,534..

The Commission finds that the depreciation rates contained in the study are appropriate for use by the Company in determining depreciation expense related to its electric and common plant. The Commission instructs the Company to use the new depreciation rates presented in this study for recognition of depreciation expense for all purposes, both regulatory and accounting, until further order by this Commission.

**H. EVIDENCE AND CONCLUSIONS REGARDING SUBSEQUENT RATE INCREASE REQUESTS**

**(FINDINGS OF FACT NO. 15)**

The Stipulations provide that SCE&G shall not seek an increase in its non-fuel base rates and charges to be effective prior to June 2012, except those increases requested pursuant to S.C. Code Ann. § 58-27-865 and § 58-33-280, or as part of SCE&G's DSM/EE programs or where necessary due to unforeseen economic or financial conditions. The Commission finds that South Carolina law allows electric utilities to file for rate relief every 12 months. Nonetheless, the current proposal is made voluntarily by the Company pursuant to the Stipulations, and includes provisions that ensure that the Company can seek rate relief as required due to unforeseen conditions. As such, the Commission finds that this proposal by the Company is just and reasonable to all parties and is in the public interest.

**I. EVIDENCE AND CONCLUSIONS REGARDING EIZ TAX CREDITS**

**(FINDINGS OF FACT NO. 16)**

As Company Witness Ms. Haselden testified, EIZ Tax Credits were established under the Economic Impact Zone Community Development Act of 1995 (the “Act”), S.C. Code Ann. §§ 12-14-10 to 12-14-70, as amended, to provide incentives for investment in areas identified by the South Carolina Department of Revenue as having been negatively affected by federal base closures or areas adjacent to the Savannah River Site. Tr. p. 1203-04. Under the Act, the Company earns EIZ Tax Credits for any tangible property placed in service within a designated economic impact zone that is used as an integral part of furnishing electrical energy within that zone. Tr. p. 1205.

Prior to this proceeding, SCE&G deferred the net benefit to income tax expense resulting from the EIZ Tax Credits and amortized it over thirty years, which reflects the useful life of the assets generating the credits. Tr. p. 1210. This treatment is consistent with the treatment federal law requires for certain federal tax credits and incentives. In its Application, SCE&G requested authorization to a) begin to flow through to its customers the full amount of the EIZ Tax Credit actually taken on any given year’s income tax return, and b) accelerate the recognition of the deferred credit as recorded at December 31, 2009, so that it would be amortized over five years. Ms. Haselden testified that going forward, this treatment will allow the Company’s customers to receive the full benefit of these credits as they are earned and will provide for the flow through of past credits to customers more rapidly. Tr. p. 1211. Recognizing the full amount of the EIZ Tax Credits in the year generated would reduce the total annual tax expense by

\$1,138,198, on a total electric basis, compared to the amount recognized through amortization during the test year.

The retail portion of the amount of past credit remaining to be amortized into rates was verified by ORS to be \$48,725,000. ORS Witness Watts testified that, in light of the current state of the economy, these credits should be flowed through to ratepayers in two years, rather than the five years proposed in the Application. Tr. p. 1576. Mr. Watts testified that this would generate a credit of \$24,362,500 on an annual basis or a rate decrement rider of \$0.00114/kWh which would expire after a two-year period and should be credited to all of SCE&G's customers and allocated across all retail classes on a kWh basis in the amount of \$0.00114/kWh. Tr. p. 1576. The stipulating parties acknowledged there is a possibility that more or less than \$48,725,000 may be credited to customers. If the customers are over-credited or under-credited, then the difference between the actual credit and \$48,725,000 will be placed in a deferred account with interest at the 3-year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points) not to exceed 6% to be recovered or returned in a future general rate case proceeding. The stipulating parties agreed to this proposal and further agreed to allocate this amount across all customer classes in the manner recommended by Mr. Watts. No party to this proceeding has contested this proposal.

The Commission, having reviewed the Stipulations and the evidence of record in this case, finds and concludes that the provisions of the Stipulations and related testimony regarding the flow through of EIZ Tax Credits are just and reasonable and are supported

by the substantial evidence contained in the record of this docket. A decrement rider will be established to flow deferred EIZ Tax Credits to retail ratepayers. Under the terms of the Stipulations, this decrement rider will remain in place until the credits are exhausted which is estimated to require two years.

**J. EVIDENCE AND CONCLUSIONS REGARDING THE WEATHER  
NORMALIZATION ADJUSTMENT**

**(FINDINGS OF FACT NO. 17)**

The Stipulations provide for the implementation of a pilot WNA mechanism for a twelve-month period to mitigate fluctuations in customers' monthly bills. Company Witness Dr. Lynch testified the purpose of this mechanism is to mitigate the effects of abnormal weather on the margin component of customers' bills. Tr. p. 1270. The proposed pilot program would apply to residential and commercial customers receiving electric service under rate schedules 1, 6, 8, and 9. Dr. Lynch testified that typically, more than 90% of the abnormal weather effect on margin is seen in these four rates and almost 95% of the customers on the Company's system are served under these four rate schedules. Tr. p. 1271. Industrial customers are excluded because industrial customers' loads are not particularly weather sensitive. The proposal will not apply to customers on time of use rates or rates with demand charges because of the difficulty in isolating the weather effect on each rate component. Tr. p. 1271.

Under this pilot program, energy rates for customers on these schedules would be adjusted downward or upward to reflect normal weather conditions, determined using the average temperature over the most recent fifteen (15) year period for which data is available.

As described by Dr. Lynch, the Company will calculate a rate adjustment for each residential and commercial class of customer under rate schedules 1, 6, 8 and 9 for each revenue month and meter reading cycle. After the meters are read for a particular cycle, the Company will accumulate the weather for that cycle and calculate the deviation of this weather from normal. Based on that data, a factor will be determined to adjust the impact of above or below average weather on the margin component of the bill. Tr. p. 1272-73.

Dr. Lynch testified SCE&G customers will benefit from this mechanism because their bills will be more predictable and abnormally high bills during periods of extreme heat or cold weather will be reduced. Tr. p. 1274. The Company will benefit since generating the margin revenues needed to operate its system will not be weather dependent.

The Commission finds and concludes that the proposed pilot WNA adjustment, as set forth in the Stipulations and related testimony, is just and reasonable to all parties and is supported by the substantial evidence contained in the record of this docket. The Commission orders, as set forth in the Stipulations, that SCE&G shall implement the WNA no later than the first billing cycle for October 2010 and that the Company shall provide notice to its customers, through a bill insert, to advise its customers of the WNA and its operation. The Commission further orders, as set forth in the Stipulations, that SCE&G shall provide monthly reports to the Commission and ORS showing the current month and cumulative effect of the WNA. Additionally, upon the conclusion of the twelve-month pilot period, SCE&G shall file a comprehensive report with the



Commission and ORS showing the aggregate impact and conclusions for the future of the program. After this comprehensive report is filed, either SCE&G or ORS may petition the Commission to modify or terminate the WNA. The WNA shall remain in effect until the Commission acts on any such petition.

**K. EVIDENCE AND CONCLUSIONS REGARDING THE \$25 MILLION ONE-TIME CREDIT**

**(FINDINGS OF FACT NO. 18)**

The Stipulations provide for a one-time credit of approximately \$25 million to customers' bills through a decrement rider which will apply to residential and small general service customers and will remain in place until all credits have been exhausted. As Dr. Lynch testified, the \$25 million amount was calculated as the approximate amount that the proposed WNA program might have saved SCE&G customers in the first quarter of 2010. Tr. p. 1271. No party contested this provision. As agreed to in the Stipulations, in the event customers are over-credited, then the difference between the actual credit and the \$25 million offer will be placed in a deferred account with carrying charges at the 3-year U.S. Government Treasury Notes, as reported by the Wall Street Journal, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points) to be recovered in a future general rate case proceeding.

**VII. CONCLUSION AND ORDER**

After having heard the testimony of the witnesses and based on the Commission's review of the Application, the Stipulations, and the testimony and exhibits submitted during the hearing, the Commission adopts as just and reasonable and in the public interest all terms and provisions of the Stipulations as a comprehensive compromise

resolution of all issues. This includes the accounting adjustments, the increase of the Company's retail revenues in the amount of \$101,248,000 and the ROE of 10.7%. The Commission also specifically adopts as just and reasonable the rates, rate schedules, and terms and conditions set forth in Attachment No. 4 to Order Exhibit No. 1 (Hearing Exhibit No. 15).

In making these findings, we are mindful of the present state of the economy in South Carolina, and the difficulty that some of the Company's customers may have in managing their electric bills. While the Company has attempted to economize in many instances, a number of the Company's customers have protested the proposed rates. Virtually every one of the many public witnesses objected to the proposed rate increase as it would cause severe hardship regarding their ability to manage their electric bills, particularly given the current economic situation. Again, this Commission is appreciative of the time and efforts made by these public witnesses, as well as the participation of the parties in the evening public hearings. The public testimony is entirely consistent with our understanding of the difficulties faced by all users of electric service in this State, and further highlights our challenge to assist utility customers in obtaining information that allows them to better manage their electric bills. However, based on the evidence of record in this case, we order the following:

**IT IS THEREFORE ORDERED THAT:**

1. The Third Stipulation, including all attachments, entered into by the stipulating parties to this docket and incorporated as Order Exhibit No. 1, is adopted and approved as just and reasonable.

2. The stipulating parties shall abide by all terms of the Stipulations.

3. SCE&G shall implement the rates, charges, terms and conditions referenced in Attachment No. 4 to Order Exhibit No. 1 for service rendered after the effective date of this Order. The Company shall file said items in tariff form with this Commission. The tariffs should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System. The tariffs shall be consistent with the findings of this Order and agreements with other parties to this case. The tariffs shall be consistent with the Commission's Rules and Regulations, and shall be filed as stated within 10 days of receipt of this Order.

4. The ROE of 10.7% is adopted as just and reasonable and in the public interest.

5. The net increase in SCE&G's retail electric revenues on a pro-forma test-year basis of \$101,248,000 is adopted as just and reasonable and in the public interest.

6. SCE&G shall not seek an increase to its non-fuel base rates and charges to be effective prior to June 2012, except as to those increases requested pursuant to S.C. Code Ann. § 58-27-865 and § 58-33-280, or as part of SCE&G's DSM/EE programs or where necessary due to unforeseen economic or financial conditions, all subject to review by this Commission.

7. The rate design and rate changes reflected in the tariffs attached to the Stipulations are approved as just and reasonable and in the public interest.

8. The depreciation rates contained in SCE&G's depreciation study are approved for use by the Company in determining depreciation expense related to its assets.

9. The Company shall implement a decrement rider for adjusting rates to reflect the amortization over two years of the \$48,725,000 balance of EIZ Tax Credits. This decrement rider shall be applicable to all retail classes of SCE&G's customers on a kWh basis in the amount of \$0.00114/kWh and shall remain in place for two years or until the credits are exhausted. In the event that customers are over-credited or under-credited, then the difference between the actual credit and \$48,725,000 will be placed in a deferred account with interest at the 3-year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, plus an all-in spread of 65 basis points (0.65 percentage points) not to exceed 6% to be recovered or returned in a future general rate proceeding.

10. The Company shall implement a twelve-month pilot WNA mechanism for residential and commercial customers receiving electric service under rate schedules 1, 6, 8, and 9. The pilot WNA shall be implemented no later than the first billing cycle of October 2010. SCE&G shall provide notice to its customers, through a bill insert, to advise its customers of the WNA and its operation. During the initial twelve-month pilot WNA period, SCE&G shall provide monthly reports to the Commission and ORS showing the current month and cumulative effect of the WNA. SCE&G shall, upon the conclusion of the twelve-month pilot period, file a comprehensive report with the

Commission and ORS showing the aggregate impact and conclusions for the future of the program. After this comprehensive report is filed, either SCE&G or ORS may petition the Commission to modify or terminate the WNA. The WNA shall remain in effect until the Commission acts on any such petition.

11. The Company shall implement a decrement rider to reduce rates to residential and small general service customers by a total of \$25 million over twelve months. The rider shall be allocated to SCE&G's residential and small general service customers as set forth in Attachment No. 3 to Order Exhibit No. 1 and will remain in place for the duration of the pilot Weather Normalization Adjustment mechanism or until all credits have been exhausted. In the event that customers are over-credited, then the difference between the actual amounts credited and \$25 million will be placed in a deferred account with interest at the 3-year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, plus an all-in spread of 65 basis points (0.65 percentage points) to be recovered or returned in a future general rate proceeding.

JULY 15, 2010

PAGE 46

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12. This Order shall remain in full force and effect until further Order of the Commission.

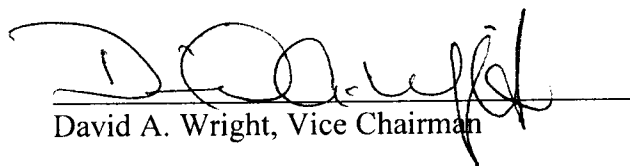
BY ORDER OF THE COMMISSION:



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John E. Howard, Chairman

ATTEST:



---

David A. Wright, Vice Chairman

(SEAL)

(consisting of 77 pages)

**BEFORE**

**THE PUBLIC SERVICE COMMISSION OF**

**SOUTH CAROLINA**

**Docket No. 2009-489-E**

**May 21, 2010**

IN RE: Application of South Carolina Electric	)	
& Gas Company for Adjustments and	)	
Increases in the Company's Electric	)	THIRD STIPULATION ON
Rate Schedules and Tariffs	)	CERTAIN MATTERS
_____	)	

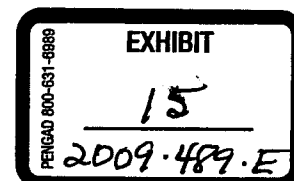
This Stipulation ("Stipulation") is made by and between the South Carolina Office of Regulatory Staff ("ORS"), Frank Knapp, Jr., Pamela Greenlaw, Wal-Mart Stores East LP, Sam's East, Inc., The Women's Shelter, the Federal Executive Agencies, South Carolina Energy Users Committee ("SCEUC") and South Carolina Electric & Gas Company ("SCE&G" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party").

WHEREAS, the Parties have varying positions regarding the issues in this case;

WHEREAS, ORS, Frank Knapp, Jr., Pamela Greenlaw, and SCE&G entered into a Stipulation on Certain Matters dated May 3, 2010, a copy of which is attached hereto as Attachment No. 1 and incorporated herein by reference ("Stipulation No. 1");

WHEREAS, ORS, Frank Knapp, Jr., and SCE&G entered into a Stipulation on Certain Matters dated May 11, 2010, a copy of which is attached hereto as Attachment No. 2 and incorporated herein by reference ("Stipulation No. 2");

WHEREAS, the Parties have continued discussions to determine if an additional stipulation on certain matters would be in their best interests and in the case of ORS, in the public interest; and



WHEREAS, following those discussions, the Parties have determined that their interests, and ORS has determined that the public interest, would be best served by stipulating to certain matters pending in the above-captioned case under the terms and conditions set forth below:

- 1) The Parties agree to place into the record before the Public Service Commission of South Carolina (“the Commission”) this Stipulation No. 3 as well as Stipulation No. 1 and Stipulation No. 2, both of which are incorporated herein by reference and identified as Attachment No. 1 and Attachment No. 2, respectively.
- 2) The Parties to Stipulation No. 3 agree to the terms put forth in Stipulations No. 1 and No. 2.
- 3) The Parties further agree that as a result of Stipulation No. 3 no contested issues remain in Docket No. 2009-489-E.
- 4) The Parties agree to stipulate into the record before the Commission the pre-filed testimony and exhibits of the following witnesses without objection, change, amendment or cross-examination with the exception of changes comparable to those that would be presented via an errata sheet or through a witness noting a correction consistent with this Settlement Agreement.

SCE&G witnesses:

1. Kevin B. Marsh
2. Stephen A. Byrne
3. Jimmy E. Addison (direct and rebuttal)
4. Robert B. Hevert (direct and rebuttal)
5. Julie M. Cannell
6. John J. Spanos
7. James E. Swan, IV (direct and rebuttal)
8. Tami S. Haseldon
9. Joseph M. Lynch, Ph.D. (direct and stipulation)
10. John R. Hendrix

ORS witnesses:

1. A. Randy Watts
2. Sharon G. Scott



3. M. Anthony James
4. Daniel F. Sullivan
5. Leigh C. Ford
6. David C. Parcel

Federal Executive Agency witness:

1. Nicholas Phillips, Jr.

Wal-Mart Stores East, LP and Sam's East, Inc. witness:

1. Steve W. Chriss

The Women's Shelter witness:

1. Kathy Riley

South Carolina Energy Users Committee witness:

1. Kevin W. O'Donnell

5) In Stipulation No. 1, SCE&G agreed to issue a one-time credit of approximately \$25 million to its customers through a decrement rider which will remain in place for the duration of the pilot Weather Normalization Adjustment mechanism or until all credits have been exhausted. The Parties to this Stipulation agree that if Stipulation No. 1 is approved, the \$25 million credit will be allocated to the residential and small general service classes as shown in Attachment 3.

6) In Stipulation No. 2, SCE&G agreed to flow the deferred Economic Impact Zone Investment Tax Credit balance to retail ratepayers via a decrement rider which will remain in place for two years or until the credits are exhausted. This amounts to a \$24,362,500 per year or a total of \$48,725,000. The Parties to this Stipulation have agreed that the amount to be credited to all retail classes of SCE&G's customers will be allocated across the Company's customer rate classes on a kilowatt-hour ("kWh") basis in the amount of \$0.00114/kWh as described in the pre-filed direct testimony of ORS witness Watts.

7) The Parties agree that Stipulation No. 1 and Stipulation No. 2 result in an initial increase in annual revenues from base rates in the amount of \$51.9 million, which reflects the application of the credits referenced in Paragraphs 5 and 6 above, and that the \$51.9 million is subject to the future expiration of those credits. Unless otherwise provided for herein, the Parties agree that the revenue increase stated above will be allocated among the customer classes as set forth in Attachment No. 3 hereto. A copy of the schedules of the Company's electric rates and charges reflecting the revenue increase set forth above are attached hereto as Attachment No. 4.

8) Further, as part of this Stipulation, with the exception of those increases sought pursuant to S.C. Code Ann. § 58-27-865 and § 58-33-280 (1976, as amended) or as part of SCE&G's Demand Side Management ("DSM") Rate Rider and Portfolio of Energy Efficiency ("EE") Programs, SCE&G shall not seek an increase in its retail base rates and charges to be effective prior to June 2012, except for those approved under Sections 58-27-865 and 58-33-280 or as part of SCE&G's DSM/EE programs, and except where necessary due to unforeseen economic or financial conditions.

9) The Parties agree that signing this Stipulation (a) will not constrain, inhibit, impair, or prejudice their arguments or positions on remaining matters in this docket or held in future or collateral proceedings, (b) will not constitute a precedent or evidence of acceptable practice in future proceedings, and (c) will not limit the relief, rates, recovery or rates of return that any Party may seek or advocate in any future proceeding. If the Commission declines to approve this Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation without penalty or obligation.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

**Representing and binding the South Carolina Office of Regulatory Staff**

Shannon Bowyer Hudson

Nanette S. Edwards, Esquire

Shannon Bowyer Hudson, Esquire

**Office of Regulatory Staff**

1401 Main Street, Suite 900

Columbia, SC 29201

Phone: (803) 737-0575

(803) 737-0889

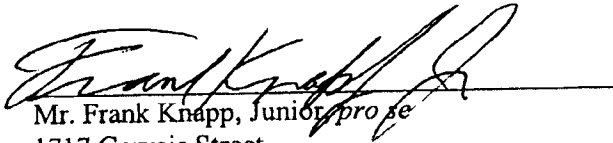
Fax: (803) 737-0895

Email: [nsedwar@regstaff.sc.gov](mailto:nsedwar@regstaff.sc.gov)

[shudson@regstaff.sc.gov](mailto:shudson@regstaff.sc.gov)

I AGREE:

**Frank Knapp, Jr.**

A handwritten signature in black ink, appearing to read "Frank Knapp, Jr.", written over a horizontal line.

Mr. Frank Knapp, Junior, *pro se*  
1717 Gervais Street  
Columbia, SC 29201  
Phone: (803) 765-2210  
Email: fknapp@knappagency.com

I AGREE:

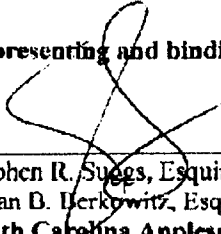
**Pamela Greenlaw**

---

Pamela Greenlaw, *pro se*  
1001 Wotan Road  
Columbia, SC, 29229  
Phone: (803) 736-2977  
Email: pmlgrnlw@yahoo.com

I AGREE:

**Representing and binding The Women's Shelter**

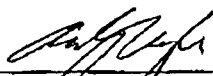


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Stephen R. Suggs, Esquire  
Susan B. Berkowitz, Esquire  
**South Carolina Appellate Legal Justice Center**  
1518 Washington Street  
Columbia, SC, 29201  
Phone: (803) 779-1113  
Fax: (803) 771-5951  
E-mail: [ssuggs@scjustice.org](mailto:ssuggs@scjustice.org)

WE AGREE:

**Representing and binding the Federal Executive Agencies**



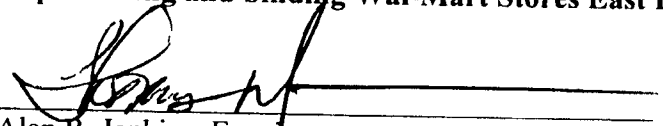
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Audrey Van Dyke, Esquire  
Dr. Khojasteh "Kay" Davoodi  
**Department of Navy**  
Litigation Office  
720 Kennon St., SE  
Building 36, Room 136  
Washington Navy Yard, DC 20374  
Phone: (202) 685-1931  
Fax: (202) 433-2591  
Email: [audrey.vandyke@navy.mil](mailto:audrey.vandyke@navy.mil)



WE AGREE:

**Representing and binding Wal-Mart Stores East LP, Sam's East, Inc.**

  
\_\_\_\_\_  
Alan R. Jenkins, Esquire  
**Jenkins at Law, LLC**

2265 Roswell Road

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Marietta, GA 30062

Phone: (770) 509-4866

Fax: (770) 973-5365

Email: [aj@jenkinsatlaw.com](mailto:aj@jenkinsatlaw.com)

Thomas L. Moses

**Monahan and Moses, LLC**

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Greenville, SC 29601

Phone: (864) 241-4604

Fax: (864) 241-4606

Email: [tom.moses@momolaw.com](mailto:tom.moses@momolaw.com)

I AGREE:

**Representing and binding South Carolina Energy Users Committee**




---

Scott Elliott, Esquire  
**Elliott & Elliott, P.A.**  
1508 Lady Street  
Columbia, SC 29201  
Phone: (803) 771-0555  
Fax: (803) 771-8010  
Email: [selliott@elliottlaw.us](mailto:selliott@elliottlaw.us)

WE AGREE:

**Representing and binding South Carolina Electric & Gas Company**



K. Chad Burgess, Esquire

Matthew W. Gissendanner, Esquire

**South Carolina Electric & Gas Company**

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Mitchell Willoughby, Esquire

**Willoughby & Hoefer, P.A.**

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Fax: (803) 256-8062

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Belton T. Zeigler, Esquire

Lee Dixon, Esquire

**Pope Zeigler, LLC**

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Columbia, South Carolina 29211

Phone: (803) 354-4949

Fax: (803) 354-4889

Email: bzeigler@popezeigler.com

ldixon@popezeigler.com

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**Docket No. 2009-489-E**  
**May 3, 2010**

IN RE: Application of South Carolina Electric	)	
& Gas Company for Adjustments and	)	
Increases in the Company's Electric	)	STIPULATION
Rate Schedules and Tariffs	)	ON CERTAIN
	)	MATTERS
<hr/>		

This Stipulation ("Stipulation") is made by and between the South Carolina Office of Regulatory Staff ("ORS") and South Carolina Electric & Gas Company ("SCE&G" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party").

WHEREAS, ORS and SCE&G have varying positions regarding the issues in this case;

WHEREAS, ORS and SCE&G have engaged in discussions to determine if a stipulation on certain issues would be in their best interests and in the case of ORS, in the public interest;

WHEREAS, in those discussions, the Parties agreed to a 10.7 % return on common equity, a pilot weather normalization adjustment ("WNA") mechanism described more fully below, and a one-time credit of \$25 million to SCE&G's retail electric customers; and

WHEREAS, following those discussions, SCE&G has determined that its interests, and ORS has determined that the public interest, would be best served by stipulating to certain issues pending in the above-captioned case under the terms and conditions set forth below:

- 1) The Parties agree to place into the record before the Commission this Stipulation.

2) The Parties stipulate and agree that in recognition of the Company's current cost of equity capital, a return on common equity ("ROE") of 10.7% should be the allowed ROE for SCE&G.

3) In addition, ORS agrees that SCE&G may implement a pilot WNA mechanism for a twelve-month period to mitigate fluctuations in customers' monthly bills. Under the WNA, certain residential and small general service customers' energy rates may be adjusted downward or upward monthly to reflect normal weather conditions. Normal weather conditions are defined as the average temperature over the most recent fifteen years for which data is available, and SCE&G will use the historical temperature record for the Columbia and Charleston airports to calculate normal weather conditions for each location. The Parties agree that the WNA, if approved, will apply only to residential and commercial customers receiving electric service under rate schedules 1, 6, 8 and 9 as these rates contain over 91% of test year kilowatt hour sales in those classes and are the most weather sensitive on SCE&G's system. The Parties agree to propose that the WNA begin with the first billing cycle in the first month in which the Company can implement it following issuance of an Order in this docket and no later than the first billing cycle for October 2010. If approved, the Company will give notice to customers through a bill insert to advise its customers of the WNA and its operation. In addition, so long as the pilot program is in operation, SCE&G will file a monthly report to the Commission, with a copy to be provided to ORS, which shows the current month and cumulative effect of the WNA. At the conclusion of the twelve-month WNA period, the Company will also file a comprehensive report with the Commission, with a copy to be provided to ORS, showing the aggregate impact and conclusions for the future of the program. The Company will maintain its books and records in sufficient detail to enable the Commission and ORS to determine the revenue impact of the WNA mechanism by rate schedule. After the comprehensive report is filed, either Party may

petition the Commission to modify or terminate the WNA. The WNA shall remain in effect until the Commission acts on either or both of these petitions.

4) In consideration for the terms stated herein, SCE&G estimates that a program of this nature would have saved customers approximately \$22.5 million in the first quarter of 2010 and accordingly has offered to apply a one-time credit of approximately \$25 million dollars (\$25,000,000). If the pilot WNA program is approved, then the credit will be applied via a decrement rider which will remain in place for the same duration as the WNA twelve-month period or until all credits have been exhausted. The decrement rider automatically terminates when the credits are exhausted. The Parties acknowledge there is a possibility that more than \$25 million may be credited to customers. If the customers are over-credited, then the difference between the actual credit and the \$25 million will be placed in a deferred account with carrying charges at the 3-year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points) to be recovered in a future general rate case proceeding.

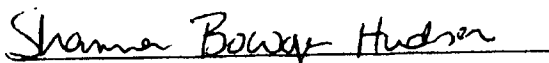
5) The Parties agree that the application of the credit to the electric bills of SCE&G's customers is contingent upon the Commission's approval of the pilot WNA program and a return on equity of 10.7%; without Commission approval of the pilot WNA program and the 10.7% return on equity, no basis in fact exists for the proposed one-time credit, and therefore no credit will be made.

6) The Parties agree that signing this Stipulation (a) will not constrain, inhibit, impair, or prejudice their arguments or positions on remaining matters in this docket or held in future or collateral proceedings, (b) will not constitute a precedent or evidence of acceptable practice in future proceedings, and (c) will not limit the relief, rates, recovery or rates of return that any Party may seek or advocate in any future proceeding. If the Commission declines to

approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation without penalty or obligation.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

**Representing and binding the South Carolina Office of Regulatory Staff**



Nanette S. Edwards, Esquire

Shannon Bowyer Hudson, Esquire

**Office of Regulatory Staff**

1401 Main Street, Suite 900

Columbia, SC 29201

Phone: (803) 737-0575

(803) 737-0889

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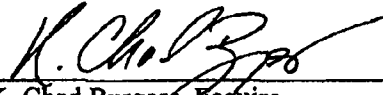
Email: [nsedwar@regstaff.sc.gov](mailto:nsedwar@regstaff.sc.gov)

[shudson@regstaff.sc.gov](mailto:shudson@regstaff.sc.gov)



WE AGREE:

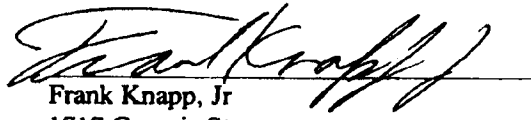
**Representing and binding South Carolina Electric & Gas Company**

  
K. Chad Burgess, Esquire  
Matthew W. Gissendanner, Esquire  
**South Carolina Electric & Gas Company**  
Mail Code C222  
220 Operation Way  
Cayce, SC 29033  
Phone: (803) 217-8141  
Fax: (803) 217-7931  
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matthew.gissendanner@scana.com

Mitchell Willoughby, Esquire  
**Willoughby & Hoefer, P.A.**  
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Columbia, SC 29202-8416  
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Belton T. Zeigler, Esquire  
Lee Dixon, Esquire  
**Pope Zeigler, LLC**  
1411 Gervais Street, Suite 300  
Columbia, South Carolina 29211  
Phone: (803) 354-4949  
Fax: (803) 354-4889  
Email: bzeigler@popezeigler.com  
ldixon@popezeigler.com

I AGREE:

A handwritten signature in black ink, appearing to read "Frank Knapp, Jr.", written over a horizontal line.

Frank Knapp, Jr  
1717 Gervais Street  
Columbia, SC 29201

I AGREE:

A handwritten signature in cursive script, reading "Pamela Greenlaw", is written over a solid horizontal line.

Pamela Greenlaw  
1001 Wotan Road  
Columbia, SC 29229  
Phone: 803-736-2977  
Email:

**May 14, 2010**

This Stipulation (“Stipulation”) is made by and between the South Carolina Office of Regulatory Staff (“ORS”), Frank Knapp, Jr., and South Carolina Electric & Gas Company (“SCE&G” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”).

WHEREAS, ORS and SCE&G entered into a Stipulation on Certain Matters dated May 3, 2010, in which the Parties agreed to a 10.7% return on common equity, a pilot weather normalization adjustment mechanism, and a one-time credit of \$25 million to SCE&G's retail electric customers;

WHEREAS, on May 3, 2010, ORS pre-filed the direct testimony of A. Randy Watts, Sharon G. Scott, M. Anthony James, Daniel F. Sullivan, and Leigh C. Ford (“ORS Witnesses”) with the Public Service Commission of South Carolina (“Commission”), which set forth ORS’s findings and recommendations resulting from ORS’s examination of SCE&G’s application filed in this docket;

WHEREAS, SCE&G has reviewed the pre-filed direct testimony of the ORS Witnesses;

WHEREAS, ORS and SCE&G have continued discussions to determine if a stipulation on certain matters would be in their best interests and in the case of ORS, in the public interest; and

WHEREAS, following those discussions, SCE&G and Frank Knapp, Jr. have determined that their interests, and ORS has determined that the public interest, would be best served by stipulating to certain matters pending in the above-captioned case under the terms and conditions set forth below:

- 1) The Parties agree to place into the record before the Commission this Stipulation.
- 2) Except as otherwise agreed to herein, SCE&G agrees, solely for the purposes of this case and no future cases, with the ORS Accounting and Pro Forma Adjustments set forth in the pre-filed direct testimony of the ORS Witnesses. As such, SCE&G agrees to stipulate to testimony regarding the ORS Accounting and Pro Forma Adjustments set forth in Audit Exhibit SGS-2 pages 1 through 5 in the column labeled "ORS Retail Electric" and described in the pre-filed direct testimony of the ORS Witnesses without objection, change, amendment or cross-examination with the exception of changes comparable to those which would be presented via an errata sheet or through a witness noting a correction. Where ORS has indicated that there is no adjustment, the Parties agree that no adjustment shall be made; additionally, neither Party will propose nor advocate adoption of adjustments in addition to, instead of, or inconsistent with the accounting and pro forma adjustments set forth in Audit Exhibit SGS-2. All Parties reserve the right to conduct redirect examination of its witnesses as necessary in order to respond to issues raised by the examination of its witnesses, if any, by non-Parties to this Stipulation or by any other person, or to any late-filed testimony.

3) By agreeing to the ORS Accounting and Pro Forma Adjustments in this docket, SCE&G is not waiving, but specifically reserves, its right to object to any proposed removal of such costs from utility expenses in future proceedings.

4) SCE&G further agrees with ORS's recommendation to flow the deferred Economic Impact Zone Investment Tax Credit balance to retail ratepayers via a decrement rider which will remain in place for two years or until the credits are exhausted. This amounts to \$24,362,500 per year or a total of \$48,725,000. The Parties acknowledge there is a possibility that more or less than \$48,725,000 may be credited to customers. If the customers are over-credited or under-credited, then the difference between the actual credit and \$48,725,000 will be placed in a deferred account with interest at the 3-year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points) not to exceed 6% to be recovered or returned in a future general rate case proceeding.

5) The Parties further agree that SCE&G should be authorized to continue to withdraw the policy premiums for the storm damage insurance for SCE&G's transmission and distribution system from the Storm Damage Reserve Fund. SCE&G will review any changes in premiums for storm damage insurance with ORS on an annual basis. For the purposes of calculating working cash and rate base in this proceeding the parties agree to assume a one-time charge to the storm damage reserve in the amount of \$407,000 which will not otherwise be reflected on the books of SCE&G.

6) The Parties agree that collection of the Storm Damage Reserve Rider shall be suspended subject to future reinstatement by the Commission. The Parties agree that in future proceedings SCE&G may present evidence indicating that the annual average cost of SCE&G's storm expense may equal or exceed the expected damage assessment contained in the Hurricane and Ice Storm Loss and Reserve Solvency Analysis presented to the Commission in 2007.

7) The Parties further agree with ORS's proposal to use the eight-year period of major maintenance costs from 2010 through 2017 as the appropriate cycle over which to calculate the adjustment for the major maintenance accrual. The Parties agree that interest on the major maintenance account should be based upon the 3-Year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points).

8) The Parties agree that the adjustment sought by SCE&G in its tree trimming test year expense shall not be made in this proceeding and further acknowledge that SCE&G may present evidence in future proceedings indicating that the cost of maintaining a five-year tree trimming cycle may exceed the amount reflected in current rates.

9) SCE&G agrees that Rate 21A shall remain open and available.

10) The Parties agree that signing this Stipulation (a) will not constrain, inhibit, impair, or prejudice their arguments or positions on remaining matters in this docket or held in future or collateral proceedings, (b) will not constitute a precedent or evidence of acceptable practice in future proceedings, (c) will not limit the relief, rates, recovery or rates of return that any Party may seek or advocate in any future proceeding, and (d) that all stipulations as to any fact, argument or position contained in the direct testimony of ORS' Witnesses shall apply only for purposes of this proceeding and not any other. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation without penalty or obligation.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

**Representing and binding the South Carolina Office of Regulatory Staff**

A handwritten signature in cursive script, reading "Nanette S. Edwards", is written over a horizontal line.

Nanette S. Edwards, Esquire

Shannon Bowyer Hudson, Esquire

**Office of Regulatory Staff**

1401 Main Street, Suite 900

Columbia, SC 29201

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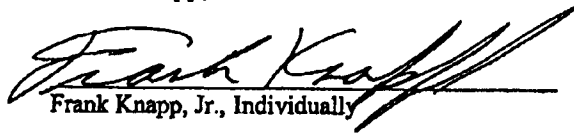
Email: [nsedwar@regstaff.sc.gov](mailto:nsedwar@regstaff.sc.gov)

[shudson@regstaff.sc.gov](mailto:shudson@regstaff.sc.gov)




I AGREE:

Frank Knapp, Jr.

  
Frank Knapp, Jr., Individually

WE AGREE:

**Representing and binding South Carolina Electric & Gas Company**

  
\_\_\_\_\_  
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Matthew W. Gissendanner, Esquire  
**South Carolina Electric & Gas Company**  
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**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**SUMMARY OF STIPULATION INCREASE BY CLASS**

RATE	OCT. 30, 2009 RATES REVENUE	GROSS PROPOSED STIPULATION REVENUE	GROSS % CHANGE	\$25 MILLION CREDIT PER KWH	EIZ TAX CREDIT PER KWH	EIZ TAX CREDIT PER KWH	NET PROPOSED STIPULATION REVENUE	NET % CHANGE
RESIDENTIAL	\$927,122,330	\$46,017,216	4.96%	(\$16,014,796)	(\$0.00204)	(\$0.00114)	\$21,052,975	2.27%
SMALL GENERAL SERVICE	\$361,830,148	\$17,677,901	4.89%	(\$9,109,012)	(\$0.00283)	(\$0.00114)	\$4,899,535	1.35%
MEDIUM GENERAL SERVICE	\$222,893,631	\$10,580,166	4.74%	\$0	\$0.00000	(\$0.00114)	\$7,745,517	3.47%
LARGE GENERAL SERVICE	\$610,080,143	\$24,036,275	4.71%	\$0	\$0.00000	(\$0.00114)	\$15,550,101	3.05%
LIGHTING	\$52,341,404	\$2,956,442	5.65%	\$0	\$0.00000	(\$0.00114)	\$2,634,145	5.03%
RETAIL TOTAL	<u>\$2,074,267,856</u>	<u>\$101,248,000</u>	<u>4.88%</u>	<u>(\$25,123,808)</u>		<u>(\$24,241,919)</u>	<u>\$51,882,273</u>	<u>2.50%</u>

Note 1 - remains in place until the credit is fully exhausted (see paragraph 5 of the Stipulation)

Note 2 - remains in effect for 2 years or until the credit is exhausted (see paragraph 6 of the Stipulation)

## ATTACHMENT NO. 4

### SOUTH CAROLINA ELECTRIC & GAS COMPANY PROPOSED ELECTRIC RATE SCHEDULES – STIPULATION

Listed are the proposed electric rate schedules included as follows:

<b><u>Rate</u></b>	<b><u>Description</u></b>
1	Good Cents Residential Service (Closed)
2	Low Use Residential Service
3	Municipal Power Service
5	Time-of-Use Residential Service
6	Energy Saver / Conservation Residential Service
7	Time-of-Use Demand Residential Service
8	Residential Service
9	General Service
10	Small Construction Service
11	Irrigation Service
12	Church Service
13	Municipal Lighting Service
14	Farm Service
15	Supplementary and Standby Service
16	Time-of-Use General Service
17	Municipal Street Lighting
18	Underground Street Lighting
19	Concurrent Demand Time-of-Use General Service
20	Medium General Service
	Rider to Rates 20 and 23 – Service for Cool Thermal Storage
21	General Service Time-of-Use Demand
21A	Experimental Program – General Service Time-of-Use Demand
22	School Service
23	Industrial Power Service
24	Large General Service Time-of-Use
25	Overhead Floodlighting
26	Overhead Private Street Lighting
28	Small General Service Time-of-Use Demand (Experimental)
	Residential Subdivision Street Lighting
	Contract Rates
	Rate Reduction and Tax Credit Rider

## RATE 1

RESIDENTIAL SERVICE  
GOOD CENTS RATE

## AVAILABILITY

Effective January 15, 1996 this schedule is closed and not available to any new structure.

This rate is available to customers who meet the Company's Good Cents requirements and use the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residence and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

## CERTIFICATION REQUIREMENTS

Prior to construction, the customer or prospective customer must contact the Company to ascertain the requirements of the Good Cents Program and to arrange for on-site inspections for compliance.

The dwelling unit must be certified by the Company to meet or exceed the Company's Good Cents Program requirements in force at the time of application in order to qualify for service under this rate schedule.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

## RATE PER MONTH

	<u>Summer</u> (Billing Months June-September)	<u>Winter</u> (Billing Months October-May)
<b>Basic Facilities Charge:</b>	\$ 8.50	\$ 8.50
<b>Plus Energy Charge:</b>		
First 800 kWh @	\$ 0.10795 per kWh	\$ 0.10795 per kWh
Excess over 800 kWh @	\$ 0.11913 per kWh	\$ 0.10348 per kWh

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03606 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when customer pays the difference in costs between non-standard service and standard service or pays the Company its normal monthly facility charge based on such difference in costs.

## TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RATE 2

## LOW USE RESIDENTIAL SERVICE

## AVAILABILITY

This rate is available to customers that meet the special conditions listed below, and are served by the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

## SPECIAL CONDITIONS OF SERVICE

- 1) This rate schedule is available to those accounts where the consumption has not exceeded 400 kWh for each of the twelve billing months preceding the billing month service is to be initially billed under this rate schedule. The customer must have occupied the dwelling unit for the entire time necessary to determine eligibility under this rate schedule.
- 2) Consumption during a billing period of more than 30 days, used to determine eligibility under this rate schedule, shall be adjusted to a 30 day billing period by application of a fraction, the numerator of which shall be 30 and the denominator of which shall be the actual number of days in the billing period.
- 3) The second billing month within a twelve billing month period that consumption under this rate schedule exceeds 400 kWh will terminate eligibility under this rate schedule.
- 4) Service will be billed under the previous rate schedule the next twelve billing periods before the customer will again be eligible for the Low Use Rate.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

## RATE PER MONTH

Basic Facilities Charge: \$ 8.50

Plus Energy Charge:

All kWh @ \$ 0.08216 per kWh

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03606 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

## TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**SOUTH CAROLINA ELECTRIC & GAS COMPANY****ELECTRICITY****RATE 3****MUNICIPAL  
POWER SERVICE****AVAILABILITY**

This rate is available to municipal customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system. This includes all municipally owned and operated facilities for power purposes including, but not restricted to public buildings and pumping stations. It is not available for resale or standby service.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

**RATE PER MONTH**

**Basic Facilities Charge:** \$ 17.50

**Plus Energy Charge:** \$ 0.09499 per kWh  
All kWh @

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

Service shall not be supplied under this rate for establishments of a commercial nature, nor to operations primarily non-municipal. Under no conditions will the Company allow the service to be resold to or shared with others.

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than ten (10) years. Contracts shall be written for a period of not less than ten (10) years.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RATE 5

RESIDENTIAL SERVICE  
TIME OF USE  
(Page 1 of 2)

## AVAILABILITY

This rate is available on a voluntary basis to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

## RATE PER MONTH

## I. Summer Months of June-September

A. Basic Facilities Charge:	\$ 12.50
B. Energy Charge:	
All on-peak kWh @	\$ 0.25692 per kWh
All off-peak kWh @	\$ 0.08384 per kWh
C. Minimum Bill:	
The monthly minimum charge shall be the basic facilities charge	

## II. Winter Months of October-May

A. Basic Facilities Charge:	\$ 12.50
B. Energy Charge:	
All on-peak kWh @	\$ 0.23116 per kWh
All off-peak kWh @	\$ 0.08384 per kWh
C. Minimum Bill:	
The monthly minimum charge shall be the basic facilities charge	

## DETERMINATION OF ON-PEAK HOURS

## A. On-Peak Hours:

Summer Months of June-September:

The on-peak summer hours are defined as the hours between 2:00 p.m.-7:00 p.m., Monday-Friday, excluding holidays.\*

Winter Months of October-May:

The on-peak winter hours are defined as the hours between 7:00 a.m.-12:00 noon, Monday-Friday, excluding holidays.\*

## B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03606 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

Effective Upon Approval of the Public  
Service Commission of South Carolina



**RATE 5****RESIDENTIAL SERVICE  
TIME OF USE  
(Page 2 of 2)****SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

The Company's levelized payment plans are not available to customers served under this rate schedule.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RATE 6

RESIDENTIAL SERVICE  
ENERGY SAVER / CONSERVATION RATE  
(Page 1 of 2)

## AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

The builder or homeowner must provide the following:

- 1) For new homes only - Proof that home meets the Council of American Building Officials Model Energy Code.
- 2) Receipts showing the purchase and installation of a new AC unit that meets the requirements as shown below.
- 3) A certificate issued by an installer showing a wall total cavity R value of 15 (R-15).
- 4) Certification from builder stating that requirements have been met.

The Company may perform an on-site audit to verify that customer meets availability requirements as stated herein.

## THERMAL AND AIR CONDITIONING REQUIREMENTS FOR ENERGY CONSERVATION

The following requirements are predicated on the Council of American Building Officials Model Energy Code and subject to change with a change in the Council of American Building Officials Model Energy Code. Sufficient application of thermal control products and specified air conditioning requirements must be met to satisfy the minimum standards outlined below:

- Ceilings:** Ceilings of newly constructed homes shall be insulated with a total "as installed" thermal resistance (R) value of 30 (R-30).  
Ceilings of manufactured housing shall be insulated with a thermal resistance (R) value of 30 (R-30).  
Ceilings of existing housing shall be insulated with a total "as installed" thermal resistance (R) value of 38 (R-38).
- Lighting:** Recessed ceiling lights shall be sealed.
- Walls:** Walls exposed to the full temperature differential (TD), or unconditioned areas, shall have a total cavity R value of 15 (R-15).  
\*This is not a requirement for existing housing.
- Floors:** Floors over crawl space or crawl space walls shall have insulation installed having a total R value of 19 (R-19).  
100% of the exposed earth in a crawl space shall be covered with a vapor barrier of no less than (4) mills.
- Windows:** Windows shall be insulated (double) glass or have storm windows.
- Doors:** Doors exposed to full TD areas must be weather-stripped on all sides and of solid construction.
- Ducts:** Air ducts located outside of conditioned space must have: 1) all joints properly fastened and sealed, and, 2) the duct shall have a minimum installed insulation R-value of 6.0. All joints in ductwork outside of the conditioned space must be permanently sealed with the application of duct sealant. Transverse joints, take-offs, transitions, supply/return connections to the air handler, boot connections to the floor/ceiling/wall, and framed-in and panned passages must be made airtight with duct sealant.
- Attic Vent:** Attic ventilation must be a minimum of one square foot of net free area for each 150 square feet attic floor area.
- Water Heaters:** Electric water heaters must have insulation surrounding the tank with minimum total R value of 8 (R-8).
- Air Condition:** All air conditioners must have a SEER rating of 1.0 SEER higher than the rating shown in the Council of American Building Officials Model Energy Code or any federal or state mandated energy codes, whichever is higher.
- Other:** Chimney flues and fireplaces must have tight fitting dampers.

\*Insulation thermal resistance values are shown for insulation only, framing corrections will not be considered.

The "as installed" thermal resistance (R) value for all loose fill or blowing type insulation materials must be verifiable either by installed density using multiple weighted samples, the manufacturer's certification methods, Federal Trade Commission's procedures or other methods specified by local governing agencies.

## RATE 6

RESIDENTIAL SERVICE  
ENERGY SAVER / CONSERVATION RATE  
(Page 2 of 2)

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

## RATE PER MONTH

	<u>Summer</u> (Billing Month June-September)	<u>Winter</u> (Billing Month October-May)
<u>Basic Facilities Charge:</u>	\$ 8.50	\$ 8.50
<u>Plus Energy Charge:</u>		
First 800 kWh @	\$ 0.10795 per kWh	\$ 0.10795 per kWh
Excess over 800 kWh @	\$ 0.11913 per kWh	\$ 0.10348 per kWh

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03606 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

## TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RATE 7

RESIDENTIAL SERVICE  
TIME-OF-USE DEMAND  
(Page 1 of 2)

## AVAILABILITY

This rate is available on a voluntary basis to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartments structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total or more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

## RATE PER MONTH

I. Basic Facilities Charge:	\$ 12.50
II. Demand Charge:	
A. On-Peak Billing Demand	
Summer Months of June-September @	\$ 10.80 per KW
Non-Summer Months of October-May @	\$ 6.75 per KW
III. Energy Charge:	
All on-peak kWh @	\$ 0.08202 per kWh
All off-peak kWh @	\$ 0.06221 per kWh

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

## BILLING DEMAND

The maximum integrated fifteen minute demand for the current month occurring during the on-peak hours specified below. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

## DETERMINATION OF ON-PEAK HOURS

## A. On-Peak Hours:

Summer Months of June-September:

The on-peak summer hours are defined as the hours between 2:00 p.m.-7:00 p.m., Monday-Friday, excluding holidays.\*

Non-Summer Months of October-May:

The on-peak winter hours are defined as the hours between 7:00 a.m.-12:00 noon, Monday-Friday, excluding holidays.\*

## B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03606 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**RATE 7****RESIDENTIAL SERVICE  
TIME-OF-USE DEMAND  
(Page 2 of 2)****SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

The Company's levelized payment plans are not available to customers served under this rate schedule.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

**RATE 8****RESIDENTIAL SERVICE****AVAILABILITY**

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

**RATE PER MONTH**

	<b>Summer</b> (Billing Month June-September)	<b>Winter</b> (Billing Month October-May)
<b>Basic Facilities Charge:</b>	\$ 8.50	\$ 8.50
<b>Plus Energy Charge:</b>		
First 800 kWh @	\$ 0.11224 per kWh	\$ 0.11224 per kWh
Excess over kWh @	\$ 0.12385 per kWh	\$ 0.10760 per kWh

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03606 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RATE 9

GENERAL SERVICE  
(Page 1 of 2)

## AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general light and/or power purposes such as commercial, industrial, religious, charitable and eleemosynary institutions. It is not available for resale service.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

## RATE PER MONTH

	<u>Summer</u> (Billing Months June-September)	<u>Winter</u> (Billing Months October-May)
<b>I. Basic Facilities Charge:</b>	\$ 17.50	\$ 17.50
<b>II. Demand Charge:</b>		
First 250 KVA of Billing Demand	No Charge	No Charge
Excess over 250 KVA of Billing Demand @	\$ 3.17 per KVA	No Charge
<b>III. Energy Charge:</b>		
First 3,000 kWh @	\$ 0.11091 per kWh	\$ 0.11091 per kWh
Over 3,000 kWh @	\$ 0.11841 per kWh	\$ 0.10289 per kWh

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge and demand charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## POWER FACTOR

If the power factor of the Customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

## TEMPORARY SERVICE

Temporary service for construction and other purposes will be supplied under this rate in accordance with the Company's Terms and Conditions covering such service.

## PAYMENT TERMS

All bills are net and payable when rendered.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**RATE 9****GENERAL SERVICE**  
(Page 2 of 2)**SPECIAL PROVISIONS**

This rate is available for residential service where more than one dwelling unit is supplied through a single meter, provided service to such dwelling unit was established prior to July 1, 1980.

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**UNMETERED SERVICE PROVISION**

When customer's usage can be determined and in the sole opinion of the Company, installation of metering equipment is impractical or uneconomical, monthly Kwhrs. may be estimated by the Company and billed at the above rate per month, except that the basic facilities charge shall be \$6.00.

**TERM OF CONTRACT**

Contracts for installation of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.



**RATE 10****SMALL CONSTRUCTION SERVICE****AVAILABILITY**

This rate is available as a temporary service for builders using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general lighting and/or power purposes during construction. It is not available for resale or standby service.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz, single phase, two or three wire at Company's standard secondary service voltages of 240 volts or less.

**RATE PER MONTH**

**Basic Facilities Charge:** \$ 8.50

**Plus Energy Charge:** \$ 0.11148 per kWh  
All kWh @

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

If providing temporary service requires the Company to install transformers and other facilities which must be removed when temporary service is no longer required, then the customer may be required to pay the cost of installing and removing the Company's temporary facilities.

**TERM OF CONTRACT**

Contracts shall be written for a period of time commencing with establishment of service and ending when construction is suitable for occupancy or one year, which is less. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RATE 11

## IRRIGATION SERVICE

(Page 1 of 2)

## AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system. It is not available for resale. This schedule is available for service furnished for the operation of electric motor driven pumps and equipment supplying water for the irrigation of farmlands and plant nurseries, and irrigation to provide adequate moisture for vegetative cover to control erosion and provide runoff. The pumping units served hereunder shall be used solely for the purpose of irrigation.

All motors of more than 5 H.P. shall be approved by the Company. The Company reserves the right to deny service to any motor which will be detrimental to the service of other customers. Upon request, customer may pay all cost associated with upgrading the system to the point at which starting the customer's motor will not degrade the service to the other customers.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

## RATE PER MONTH

## I. Summer Months of June-September

A. Basic Facilities Charge:	\$ 21.15
B. Energy Charge:	
All on-peak kWh @	\$ 0.20953 per kWh
All shoulder kWh @	\$ 0.12029 per kWh
All off-peak kWh @	\$ 0.06888 per kWh

## II. Winter Months of October-May

A. Basic Facilities Charge:	\$ 21.15
B. Energy Charge:	
All kWh @	\$ 0.06888 per kWh

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, except when the revenue produced by the customer does not sufficiently support the investment required to serve the load. The Company will determine in each case the amount and form of payment required to correct the revenue deficiency.

## DETERMINATION OF ON-PEAK SHOULDER, AND OFF-PEAK HOURS

## A. On-Peak Hours:

Summer Months of June-September:

The on-peak summer hours are defined as the hours between 2:00 p.m.-6:00 p.m., Monday-Friday, excluding holidays.\*

## B. Shoulder Hours:

Summer Months of June-September:

The shoulder summer hours are defined as the hours between 10:00 a.m.-2:00 p.m. and 6:00 p.m.-10:00 p.m., Monday-Friday, excluding holidays.\*

## C. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak or shoulder hours.

\*Holidays are Independence Day and Labor Day.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and obtain any other data necessary to determine the customer's load characteristics.

**TERM OF CONTRACT**

Contracts for installations shall be written for a period of not less than ten (10) years. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

**RATE 12****CHURCH SERVICE****AVAILABILITY**

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general light and/or power service to churches. It is not available for resale or standby service. It is only available to recognized churches.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

**RATE PER MONTH**

**Basic Facilities Charge:** \$ 11.80

**Plus Energy Charge:**  
All kWh @ \$ 0.09505 per kWh

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Under no conditions will the Company allow the service to be resold to or shared with others. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

When a church offers activities that, in the sole opinion of the Company, are of a commercial nature such as day care, camps or recreational activities, the Company may require that the account be served under the appropriate general service rate.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than five (5) years. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

**SOUTH CAROLINA ELECTRIC & GAS COMPANY****ELECTRICITY****RATE 13****MUNICIPAL  
LIGHTING SERVICE****AVAILABILITY**

This rate is available to municipal customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system. This includes all municipally owned and operated facilities for lighting streets, highways, parks and other public areas, or other signal system service. It is not available for resale or standby service.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

**RATE PER MONTH**

**Basic Facilities Charge:**                      \$     17.50

**Plus Energy Charge:**

All kWh @                                      \$     0.08929   per kWh

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

Service shall not be supplied under this rate for establishments of a commercial nature, nor to operations primarily non-municipal. Under no circumstances will the Company allow the service to be resold or shared with others.

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than ten (10) years.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**SOUTH CAROLINA ELECTRIC & GAS COMPANY****ELECTRICITY****RATE 14****FARM SERVICE****AVAILABILITY**

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system on farms for producing but not processing agricultural, dairy, poultry and meat products.

Service shall not be supplied under this rate for establishments of a commercial nature such as stores, shops, stands, restaurants, service stations or any non-farm operations; nor for processing, distributing or selling farm or other products not originating through production on the premises served. Motors rated in excess of 20 H.P. will not be served on this rate. It is available for farm commercial operations including irrigation, grain elevators and crop drying for farm products produced on the premises served. It is not available for resale service.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

**RATE PER MONTH**

	<b>Summer</b> (Billing Months June-September)	<b>Winter</b> (Billing Months October-May)
<b>Basic Facilities Charge:</b>	\$ 8.50	\$ 8.50
<b>Plus Energy Charge:</b>		
First 800 kWh @	\$ 0.11146 per kWh	\$ 0.11146 per kWh
Excess over 800 kWh @	\$ 0.12307 per kWh	\$ 0.10682 per kWh

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state and governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service. No contract shall be written for a period of not less than five (5) years. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RATE 15

## SUPPLEMENTARY AND STANDBY SERVICE

(Page 1 of 2)

## AVAILABILITY

Available to Small Power Producers and co-generators that are a Quality Facility as defined by the Federal Energy Regulatory Commission (FERC) Order No. 70 under Docket No. RM 79-54. This schedule is not available to Qualifying Facilities with a power production capacity greater than 100 KW.

## SUPPLEMENTARY SERVICE

Supplementary service is defined herein as power supplied by the Company to a Qualifying Facility in addition to that which the Qualifying Facility generates itself. Supplementary service will be provided by the Company under a retail electric service schedule which the customer will establish in conjunction with the implementation of this Supplementary and Standby Service rate.

## SUPPLEMENTARY SERVICE

- 1) Standby service under this schedule is defined herein as power supplied by the Company to a Qualifying Facility to replace energy ordinarily generated by a Qualifying Facility during a scheduled or unscheduled outage.
- 2) Standby service is available to customers establishing a firm demand which is billed under a retail electric service schedule of the Company. If no firm demand is established by the customer for the purpose of taking Supplementary power, then Standby service will be provided as Supplementary service and billed on the applicable retail electric service schedule.
- 3) Standby service is defined for each 15-minute interval as the minimum of: (1) the Standby contracted demand, and, (2) the difference between the measured load and the contracted firm demand, except that such difference shall not be less than zero.
- 4) Supplementary Service is defined as all power supplied by the Company not defined herein as Standby Service.
- 5) The Standby contract demand shall be limited to the power production capacity of the Qualifying Facility.

## STANDBY SERVICE POWER RATE PER MONTH

Basic Facilities Charge	\$ 170.00
Demand Charge per KW of Contract Demand	\$ 4.85
Energy Charge:	
On-Peak kWh @	\$ 0.06046 per kWh
Off-Peak kWh @	\$ 0.04462 per kWh

## DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

- A. On-Peak Hours:  
On-peak hours are defined to be 10:00 a.m. - 10:00 p.m. for the months of June-September, excluding weekends.
- B. Off-Peak Hours:  
All hours not defined as on-peak hours are considered to be off-peak.

## POWER FACTOR

The customer must maintain a power factor of as near unity as practicable. If the power factor of the customer's installation falls below 85%, the Company shall adjust the billing demand to a basis of 85% power factor.

## LIMITING PROVISION

The Standby Service power rate will be available for 1325 annual hours of consumption beginning in May and ending in April, or for a prorated share thereof for customers who begin to receive service in months other than May. Accounts on this rate are subject to the following condition: Standby service will be available for a maximum of 120 On-Peak Hours.

If this account exceeds: (1) 1325 hours of Standby service annually, or (2) 120 on-peak hours of Standby service, the account will be billed on the rate normally applied to customer's Supplementary service load for the current billing month and the subsequent eleven months.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03611 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**RATE 15****SUPPLEMENTARY AND STANDBY SERVICE**

(Page 2 of 2)

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The customer is responsible for all costs associated with interconnection to the Company's system for the purpose of obtaining Supplementary or Standby power.

**TERM OF CONTRACT**

Contracts shall be written for a period of not less than three (3) years.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.



## RATE 16

## GENERAL SERVICE

## TIME-OF-USE

(Page 1 of 2)

## AVAILABILITY

This rate is available to any non-residential customer using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for power and light requirements and having an on-peak demand of less than 1,000 KW. The second billing month within a twelve billing month period that on-peak demand exceeds 1,000 KW will terminate eligibility under this rate schedule. It is not available for resale service.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

## RATE PER MONTH

I. Basic Facilities Charge:	\$ 21.15
II. Energy Charge:	
A. On-Peak kWh	
1. Months of June-September	\$ 0.20953 per kWh
2. Months of October-May	\$ 0.16110 per kWh
B. Off-Peak kWh	
First 1,000 off-peak kWh @	\$ 0.08132 per kWh
Excess over 1,000 off-peak kWh @	\$ 0.08561 per kWh

## DETERMINATION OF ON-PEAK HOURS

## A. On-Peak Hours:

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

October-May:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-10:00 a.m. and 6:00 p.m.-10:00 p.m. Monday-Friday, excluding holidays.\*

## B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction cost in addition to the rate charges above.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**RATE 16****GENERAL SERVICE****TIME-OF-USE**

(Page 2 of 2)

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**POWER FACTOR**

If the power factor of the customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service. Contracts for installations of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RATE 17

MUNICIPAL  
STREET LIGHTING  
(Page 1 of 2)

## AVAILABILITY

This rate is available to municipal customers using the Company's electric service for area and street lighting.

## RATE

All night street lighting service where fixtures are mounted on Company's existing standard wooden poles which are a part of Company's overhead distribution system will be charged for at the following rates:

SIZE AND DESCRIPTION			Lamp Charges per Month	kWh per Month
9,000	Lumens	(MH) (100W) Closed Type	\$ 9.62	37
15,000	Lumens	(HPS) (150W) Open Type	\$ 10.62	57
15,000	Lumens	(HPS) (150W) Closed Type	\$ 10.26	62
30,000	Lumens	(MH) (320W) Closed Type	\$ 18.45	123
50,000	Lumens	(HPS) (400W) Closed Type	\$ 18.91	158

The following fixtures are available for new installations only to maintain pattern sensitive areas:

9,500	Lumens	(HPS) (100W) Open Type	\$ 8.82	38
9,500	Lumens	(HPS) (100W) Open Type (non-directional) - Retrofit	\$ 8.93	38
9,500	Lumens	(HPS) (100W) Closed Type	\$ 10.22	38
15,000	Lumens	(HPS) (150W) Open Type - Retrofit	\$ 10.62	63
15,000	Lumens	(HPS) (150W) Closed Type - Retrofit	\$ 10.41	63
27,500	Lumens	(HPS) (250W) Closed Type	\$ 16.62	102
45,000	Lumens	(HPS) (360W) Closed Type - Retrofit	\$ 18.56	144

All night street lighting service in areas being served from Company's underground distribution system:

The following fixtures which are available for new installations where excavation and back filling are provided for the Company and existing fixtures previously billed as residential subdivision street lighting will be charged for at the following rates:

Post-Top Mounted Luminaries			Traditional Lamp Charges per Month	Modern Lamp Charges per Month	Classic Lamp Charges per Month	kWh per Month
9,000	Lumens	(MH) (100W)	\$ 21.32	\$ 21.32	\$ 25.32	37
15,000	Lumens	(HPS) (150W)	\$ 21.82	\$ 21.82	\$ 26.03	62

The following fixture is available for new installations only to maintain pattern sensitive areas:

9,500	Lumens	(HPS) (100W) Traditional	\$ 19.87			37
15,000	Lumens	(HPS) (150W) - Retrofit	\$ 20.78		\$ 26.03	63
15,000	Lumens	(HPS) (150W) - Retrofit		\$ 21.82		62

Effective January 2009, selected existing light sets will no longer be available for new installations. Replacement light sets will only be available until inventory is depleted and will be replaced on a first-come, first-served basis. Affected lights are as follows:

4,000	Lumens	(Mercury) (100W) Open Type (non-directional)	\$ 8.47	37
7,500	Lumens	(Mercury) (175W - Traditional)	\$ 21.32	69
7,500	Lumens	(Mercury) (175W - Modern)	\$ 21.32	69
7,500	Lumens	(Mercury) (175W - Classic)	\$ 25.34	69
7,500	Lumens	(Mercury) (175W) Closed Type	\$ 10.38	69
7,500	Lumens	(Mercury) (175W) Open Type (non-directional)	\$ 9.12	69
10,000	Lumens	(Mercury) (250W) Closed Type	\$ 14.49	95
20,000	Lumens	(Mercury) (400W) Closed Type	\$ 18.53	159

## MINIMUM CHARGE

When construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RATE 17

**MUNICIPAL  
STREET LIGHTING**  
(Page 2 of 2)**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03610 per kWh Are included in the monthly lamp charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

Contracts under this rate shall be written for a period of not less than ten (10) years; and such contract shall include a

**SPECIAL PROVISIONS**

The Company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. It is the customer's responsibility to notify the Company when equipment fails to operate properly. Non-standard service requiring underground, special fixtures and/or poles will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RATE 18

UNDERGROUND  
STREET LIGHTING

(Page 1 of 2)

## AVAILABILITY

This rate is available to customers, including municipal customers, using the Company's electric service for street and area lighting served from existing underground distribution facilities.

## APPLICABILITY

Applicable only to outdoor lighting high intensity discharge fixtures, either high pressure sodium (HPS), or metal halide (MH), and

## RATE PER LUMINARIES

SIZE AND DESCRIPTION			Lamp Charges per Month	kWh per Month
9,000 Lumens	(MH) (100W)	(Acorn, Round, or Octagonal Style)*	\$ 16.47	41
15,000 Lumens	(HPS) (150W)	(Acorn, Round, or Octagonal Style)*	\$ 16.83	62
9,000 Lumens	(MH) (100W)	(Traditional)	\$ 12.11	37
15,000 Lumens	(HPS) (150W)	(Traditional)	\$ 12.52	62
9,000 Lumens	(MH) (100W)	(Shepherd)	\$ 25.04	41
15,000 Lumens	(HPS) (150W)	(Shepherd)	\$ 26.78	62
42,600 Lumens	(MH) (400W)	Hatbox	\$ 32.11	159
50,000 Lumens	(HPS) (400W)	Hatbox	\$ 30.90	158
110,000 Lumens	(MH) (1000W)	Hatbox	\$ 49.66	359
140,000 Lumens	(HPS) (1000W)	Hatbox	\$ 45.34	368
30,000 Lumens	(MH) (320W)	Shoebox Type	\$ 26.57	123
45,000 Lumens	(HPS) (400W)	Shoebox Type	\$ 23.05	158

The following fixtures are available for new installations only to maintain pattern sensitive areas:

9,000 Lumens	(MH) (100W)	(Modern)	\$ 12.11	37
15,000 Lumens	(HPS) (150W)	(Modern)	\$ 12.52	62
9,000 Lumens	(MH) (100W)	(Classic)	\$ 15.89	37
15,000 Lumens	(HPS) (150W)	(Classic)	\$ 16.73	62

Effective January 2009, selected existing light sets will no longer be available for new installations. Replacement light sets will only be available until inventory is depleted and will be replaced on a first-come, first-served basis. Affected lights are as follows:

7,500 Lumens	(MV) (175W)	(Acorn, Round, or Octagonal Style)*	\$ 16.15	69
7,500 Lumens	(MV) (175W)	(Traditional)	\$ 12.02	69
7,500 Lumens	(MV) (175W)	(Shepherd)	\$ 23.49	69
7,500 Lumens	(MV) (175W)	(Modern)	\$ 12.02	69
7,500 Lumens	(MV) (175W)	(Classic)	\$ 16.04	69
10,000 Lumens	(MV) (250W)	(Acorn, Round, or Octagonal Style)*	\$ 17.64	95
20,000 Lumens	(MV) (400W)	Shoebox Type	\$ 21.37	159
36,000 Lumens	(MH) (400W)	Hatbox	\$ 32.30	159
40,000 Lumens	(MH) (400W)	Shoebox Type	\$ 28.40	159

## RATE PER POLE

15' Aluminum Shepherd's Crook / Direct Buried (Mounted Height)	\$ 26.75
15' Aluminum Shepherd's Crook / Base Mounted (Mounted Height)	\$ 34.40
12' Smooth/Fluted Aluminum (Mounted Height)	\$ 23.00
14' Smooth/Fluted Aluminum (Mounted Height)	\$ 23.65
17' Standard Fiberglass (Mounted Height)	\$ 9.30
42' Square Aluminum/Direct Buried (35' Mounted Height)	\$ 25.60
42' Round Aluminum/Direct Buried (35' Mounted Height)	\$ 25.60
35' Round Aluminum/Base Mounted (Add Base To Determine Mounted Height)	\$ 32.50
35' Square Aluminum/Base Mounted (Add Base To Determine Mounted Height)	\$ 35.50

## RATE 18

UNDERGROUND  
STREET LIGHTING  
(Page 2 of 2)**RESIDENTIAL SUBDIVISION CUSTOMER CHARGE**

\*The lights described above may be installed in new or existing residential subdivisions at the ratio of one light for either every four (4) or six (6) metered residences. An administrative charge of \$2.50 will be added to each fixture billed under this provision. Each monthly bill rendered will include an amount for the installed lighting. Such amount will be determined by adding the appropriate charges above for the installed luminaries, pole, and administrative charge and dividing such charge by either four (4) or six (6). This provision is applicable only if no other lighting option is available for the residential subdivision. This provision is not available for lighting parking lots, shopping centers, other public or commercial areas nor the streets of an incorporated municipality.

**REPLACEMENT OF EXISTING SYSTEMS**

In the event that the customer desires to replace an existing lighting system owned and operated by the company, the customer shall be required to pay to the Company an amount equal to the provision for early contract termination listed below.

**PROVISION FOR EARLY CONTRACT TERMINATION**

In the event that the customer terminates the contract prior to the end of the contract term, the customer shall pay as the termination charge the appropriate charges above excluding fuel for the remainder of the contract term; plus the sum of original cost of the installed equipment, less accumulated depreciation through the effective termination date, plus removal and disposal costs, plus environmental remediation costs less any applicable salvage values, the total of which shall in no case be less than zero.

**MINIMUM CHARGE**

When construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03610 per kWh are included in the monthly lamp charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

Contracts under this rate shall be written for a period of not less than ten (10) years. The Company reserves the right to remove its facilities when subject to vandalism or for other cogent reasons.

**SPECIAL PROVISIONS**

The Company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. Standard service for post top decorative lamps requiring underground wiring shall include one hundred twenty five feet of service conductor, all necessary trenching and back-filling in normal, unimproved soil. Non-standard equipment or installation in extraordinary conditions such as, but not limited to, landscaped areas, paved areas, or extremely rocky or wet soil will require the customer to pay the difference in cost between such non-standard equipment and/or extraordinary conditions and the standard service installed under normal conditions or pay to the Company its normal monthly facility charge based on such difference in costs.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule. Service hereunder is subject to Rules and Regulations for Electric Service of the Public Service Commission of South Carolina.

## RATE 19

GENERAL SERVICE  
CONCURRENT DEMAND  
TIME-OF-USE  
(Page 1 of 2)

## AVAILABILITY

This rate is available at the Company's discretion, to a maximum of 10 business entities using the Company's standard electric service. Each business entity shall be comprised of at least 2 non-contiguous premises having a total combined contract demand of at least 1,000 KVA. In addition, each premises shall have a minimum contract demand of 50 KVA. A business entity is defined as a single corporation, partnership, or individual owner. This rate is not available for individual franchise units of a business, nor for subsidiaries operating as a separate corporation or partnership. The individual premises which comprise the business entity should possess similar characteristics and/or load patterns common to the industry in which the entity does business. This schedule is not available to entities which form an association or similar organization solely in an attempt to qualify for service under this rate. The Company reserves the right to make a final determination on what constitutes a business entity as well as the premises making up that entity. This rate is not available for residential customers or resale service.

Service under this rate schedule is dependent on the Company procuring and installing necessary metering equipment and may not be available to premises where multiple delivery points on contiguous properties are not currently combined under contract.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, three phase metering at the delivery voltage which shall be standard to the Company's operation.

## RATE PER MONTH

i. The Diversity Charge will be computed utilizing actual data or modeled using available sample data from similar entities. Once actual data is available for a twelve month period, the Diversity Charge will be reviewed and may be adjusted. The Diversity charge will not be less than zero. The Diversity Charge will be computed according to the following formula:

$$\text{Diversity Charge} = \frac{\text{AC1} - \text{AC2}}{12}$$

Where AC1 = Annual Cost Under Current Rate(s)

AC2 = Annual Cost Projected Under Concurrent Rate

II. Basic Facilities Charge: \$ 170.00 per Premises

## III. Demand Charge:

## A. Concurrent On-Peak Billing Demand

1. Summer Months of June-September @ \$ 20.20 per KVA  
2. Non-Summer Months of October-May @ \$ 13.41 per KVA

## B. Concurrent Off-Peak Billing Demand

1. All Off-Peak Billing Demand @ \$ 3.76 per KVA

## IV. Energy Charge:

## A. On-Peak kWh

1. Summer Months of June-September @ \$ 0.08762 per kWh  
2. Non-Summer Months of October-May @ \$ 0.06046 per kWh

## B. Off-Peak kWh

1. All Off-Peak @ \$ 0.04462 per kWh

## BILLING DEMAND

The concurrent billing demand for the entity will be the maximum integrated 15 minute concurrent demand which may be on a rolling time interval for all the premises' metering points during the calendar month.

For the summer months, the concurrent on-peak billing demand shall be the maximum integrated fifteen minute concurrent demand measured during the on-peak hours of the current month.

For the non-summer months, the concurrent on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute concurrent demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated concurrent demand occurring during the on-peak hours of the preceding months.

The concurrent off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute concurrent demand measured during the off-peak hours minus the on-peak billing demand, (2) the contract demand minus the on-peak billing demand, or (3) 50 KVA per premises minus the on-peak billing demand.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RATE 19

GENERAL SERVICE  
CONCURRENT DEMAND  
TIME-OF-USE  
(Page 2 of 2)

**DETERMINATION OF ON-PEAK AND OFF PEAK HOURS****A. On-Peak Hours During Summer Months:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**B. On-Peak Hours During Non-Summer Months:**

May and October:

The on-peak non-summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

November-April:

The peak non-summer hours are defined as the hours between 6:00 a.m.-12:00 noon and 5:00p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**C. Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified above as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**ADDITION OR REMOVAL OF A PREMISES**

An additional premises may be added subsequent to the initial five (5) year contract without an increase in the diversity charge if the entity extends the existing concurrent contract so that the term extends five (5) years after the addition of the new premises. A premises existing at the time that the entity initially elects to take service under this rate schedule may be added without an extension in the concurrent contract term; however, there will be an increase in the diversity charge as each pre-existing premises is added. If an entity wants to terminate service to a premises under this rate schedule and the same time does not add another premises which includes an extension of the contract term, the Company will determine the appropriate termination charge. Alternatively, if the entity adds an additional premises and prefers not to extend the contract term, the diversity charge will increase accordingly and the entity agrees to reimburse the Company for the total cost of connection to the Company's system if service to the new premises is terminated within five (5) years of the service date.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03611 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**BILLING AND PAYMENT TERMS**

Bills will be calculated on a monthly basis. Each premises will receive an individual information bill and the entity will receive a combined bill summarizing all of the premises. All payments, as well as any credit and collection activities, will be at the entity level. All bills are net and payable when rendered.

**SALES AND FRANCHISE TAX**

For each premises served under this rate, any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body, will be added to the monthly bill.

**METERING**

Service under this rate will be provided only after the Company procures and installs at each premises metering which has interval data capabilities to allow for the aggregation of demand for each 15 minute interval in the billing period. Each entity may be required to contribute to the cost of metering installed by the Company to qualify for service under this rate. In addition, the entity must provide a dedicated phone line at each metering point.

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service above. No contract shall be written for a period of less than five (5) years. A master contract shall be written to include all premises amended as premises are added or deleted.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina



**SOUTH CAROLINA ELECTRIC & GAS COMPANY****ELECTRICITY****RATE 20****MEDIUM GENERAL SERVICE****AVAILABILITY**

This rate is available to any non-residential customer using the Company's standard service for power and light requirements and having a contract demand of 75 KVA or over. It is not available for resale service.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

**RATE PER MONTH**

**I. Basic Facilities Charge** \$ 155.00

**II. Demand Charge:**

All KVA of Billing Demand @ \$ 15.85 per KVA

The billing demand (to the nearest whole KVA) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured (which may be on a rolling time interval) during the current month; or (2) eighty percent (80%) of the highest demand occurring during the billing months June through September in the eleven preceding months; or (3) sixty percent (60%) of the highest demand occurring during the billing months of October through May in the eleven preceding months; or (4) the contract demand; or (5) 75 KVA.

**III. Energy Charge:**

First 75,000 kWh @ \$ 0.05062 per kWh

Excess over 75,000 kWh @ \$ 0.04652 per kWh

**MINIMUM CHARGE**

The monthly minimum charge is the demand as determined above. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The Company shall not commit itself to a buildup period exceeding six months without prior approval of the Commission for the specific account involved.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03611 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service. No contract shall be written for a period of less than five (5) years. A separate contract shall be written for each meter.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RIDER TO RATES 20 AND 23

SERVICE FOR COOL  
THERMAL STORAGE

## AVAILABILITY

This rider is available to customers served under Rate Schedules 20 and 23 for thermal storage during billing months June through September. Service under this rider shall be available at customer's request and with Company Certification of customer's installed thermal storage system. The qualifying thermal storage unit must be capable of removing at least thirty percent (30%) of the customer's actual or expected load during the on-peak hours. The provisions of Rate Schedules 20 and 23 are modified only as shown herein.

## DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

**A. On-Peak Hours:**

The on-peak hours during June through September are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**B. Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: Independence Day and Labor Day.

## BILLING DEMAND DETERMINATION

**Billing Months June Through September**

The on-peak billing demand (to the nearest whole number) shall be the greatest of the following and shall be billed on the Applicable Rate Demand charge:

- (1) The maximum, integrated fifteen minute demand measured (which may be on a rolling time interval) during the hours of 1:00 p.m. to 9:00 p.m., Monday-Friday;
- (2) 90% of the demand registered during these hours for the previous June through September billing period, if service was supplied under this rider. If customer is receiving initial service under this rider, the ratchet during the June through September billing period will be waived.
- (3) The contract demand.
- (4) Applicable Rate Minimum.

**Billing Months October Through May**

The billing demand (to the nearest whole number) shall be the greatest of the following and shall be billed on the Applicable Rate Demand charge:

- (1) The maximum, integrated fifteen minute demand measured (which may be on a rolling time interval).
- (2) 60% of the highest demand occurring during the preceding October through May billing period.
- (3) The contract demand.
- (4) Applicable Rate Minimum.

## EXCESS BILLING DEMAND

**Billing Months June Through September**

The excess billing demand shall be the positive difference between the maximum integrated fifteen minute demand measured during off-peak hours minus the on-peak billing demand.

## RATES PER MONTH

Excess Billing Demand Applicable to Rate 20	\$ 4.00 per KVA
Excess Billing Demand Applicable to Rate 23	\$ 4.00 per KW

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period less than five (5) years. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of these riders.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RATE 21

GENERAL SERVICE  
TIME-OF-USE-DEMAND  
(Page 1 of 2)

## AVAILABILITY

This rate is available to any customer using the Company's standard service for power and light requirements and having a contract demand of 50 KVA and a maximum demand of less than 1,000 KVA. It is not available for resale service.

## CHARACTER OF SERVICE

Alternating current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

## RATE PER MONTH

<b>I. Basic Facilities Charge:</b>		\$	170.00	
<b>II. Demand Charge:</b>				
A. On-Peak Billing Demand:				
1. Summer Months of June-September @	\$	20.20	per KVA	
2. Non-Summer Months of October-May @	\$	13.41	per KVA	
B. Off-Peak Billing Demand				
1. All Off-Peak Billing Demand @	\$	3.76	per KVA	
<b>III. Energy Charge:</b>				
A. On-Peak kWh				
1. Summer Months of June-September @	\$	0.08762	per kWh	
2. Non-Summer Months of October-May @	\$	0.06046	per kWh	
B. Off-Peak kWh				
1. All Off-Peak @	\$	0.04462	per kWh	

## BILLING DEMAND

The billing demands will be rounded to the nearest whole KVA. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand, (2) the contract demand minus the on-peak billing demand or (3) 50 KVA minus the on-peak billing demand.

## DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

**A. On-Peak Hours During Summer Months:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**B. On-Peak Hours During Non-Summer Months:**

May and October:

The on-peak non-summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

November-April:

The on-peak non-summer hours are defined as these hours between 6:00 a.m.-12:00 noon and 5:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**C. Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**RATE 21****GENERAL SERVICE  
TIME-OF-USE-DEMAND  
(Page 2 of 2)****RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03611 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service. No contract shall be written for a period less than five (5) years. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

## RATE 21A

EXPERIMENTAL PROGRAM - GENERAL SERVICE  
TIME-OF-USE-DEMAND

(Page 1 of 2)

## AVAILABILITY

This rate is available on a voluntary "first come, first serve" basis to the first 250 Rate 20 customer accounts and any Rate 21 customer account that qualify under the provisions of the stipulation approved by the South Carolina Public Service Commission in Docket #2002-223-E order No. 2003-38 dated January 31, 2003. This rate will be closed after the initial participant group is established, except there will be 25 additional customer accounts that will be allowed to participate on a "first come first serve" basis for new facilities constructed by customers in the initial participant group and as provided for in the stipulation as referenced above. The stipulation referenced above shall provide guidance as to any issue regarding availability on this rate. It is not available for resale service.

## CHARACTER OF SERVICE

Alternating current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

## RATE PER MONTH

<b>I. Basic Facilities Charge:</b>		\$ 170.00
<b>II. Demand Charge:</b>		
A. On-Peak Billing Demand:		
1. Summer Months of June-September @	\$ 19.39	per KVA
2. Non-Summer Months of October-May @	\$ 11.98	per KVA
B. Off-Peak Billing Demand		
1. All Off-Peak Billing Demand @	\$ 3.80	per KVA
<b>III. Energy Charge:</b>		
A. On-Peak kWh		
1. Summer Months of June-September @	\$ 0.07987	per kWh
2. Non-Summer Months of October-May @	\$ 0.05426	per kWh
B. Off-Peak kWh		
1. All Off-Peak @	\$ 0.04208	per kWh

## BILLING DEMAND

The billing demands will be rounded to the nearest whole KVA. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand, (2) the contract demand minus the on-peak billing demand or (3) 50 KVA minus the on-peak billing demand.

## DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

**A. On-Peak Hours During Summer Months:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**B. On-Peak Hours During Non-Summer Months:**

May and October:

The on-peak non-summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

November-April:

The on-peak non-summer hours are defined as these hours between 6:00 a.m.-12:00 noon and 5:00 p.m.-9:00 p.m.,

Monday-Friday, excluding holidays.\*

**C. Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Effective Upon Approval of the Public  
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## RATE 21A

EXPERIMENTAL PROGRAM - GENERAL SERVICE  
TIME-OF-USE-DEMAND  
(Page 2 of 2)

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03611 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

## TERM OF CONTRACT

The contract terms will depend on the conditions of service. The contract for this experimental program shall be written for a period of 48 months as provided for in the stipulation approved by the South Carolina Public service Commission in docket No. 2002-223-E, order No. 2003-38 dated July 31, 2003. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

## RATE 22

## SCHOOL SERVICE

## AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general light and/or power service to schools. It is not available for resale service. It is only available to recognized non-boarding schools with up through grade twelve.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

## RATE PER MONTH

<b>Basic Facilities Charge:</b>	\$ 11.80
<b>Plus Energy Charge:</b>	
First 50,000 kWh @	\$ 0.09706 per kWh
Excess over 50,000 kWh @	\$ 0.11330 per kWh

## MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Under no conditions will the Company allow the service to be resold to or shared with others. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

When a school offers activities that, in the sole opinion of the Company, are of a commercial nature such as day care, camps or recreational activities, the Company may require that the account be served under the appropriate general service rate.

## TERM OF CONTRACT

Contracts shall be written for a period of not less than five (5) years. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RATE 23

## INDUSTRIAL POWER SERVICE

## AVAILABILITY

This rate is available to any customer classified in the major industrial group of manufacturing with 10-14 or 20-39 as the first two digits of the Standard Industrial Classification or 21 or 31-33 as the first two digits of the six digit North American Industry Classification System using the Company's standard service for power and light requirements and having a contract demand of 1,000 KW or over. It is not available for resale service.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

## RATE PER MONTH

**I. Basic Facilities Charge** \$ 1,575.00

**II. Demand Charge:**

All KW of Billing Demand @ \$ 13.10 per KW

The billing demand (to the nearest whole KW) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured (which may be on a rolling time interval) during the current month; or (2) eighty percent (80%) of the highest demand occurring during the billing months of June through September in the eleven preceding months; or (3) sixty (60%) of the highest demand occurring during the billing months of October through May in the eleven preceding months; or (4) the contract demand; or (5) 1,000 KW.

The customer shall maintain a power factor of as near unity as practicable. If the power factor of the customer's installation falls below 85%, the Company will adjust the billing demand to a basis of 85% power factor.

**III. Energy Charge:**

All kWh @ \$ 0.04602 per kWh

## DISCOUNT

A discount of \$0.60 per KW of billing demand will be allowed when the service is supplied at a delivery voltage of 46,000 volts or higher.

## MINIMUM CHARGE

The monthly minimum charge is the demand as determined above. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The Company shall not commit itself to a buildup period exceeding six months without prior approval of the Commission for the specific account involved.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03613 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

## TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period less than five (5) years. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina



## RATE 24

LARGE GENERAL SERVICE  
TIME-OF-USE

(Page 1 of 2)

## AVAILABILITY

This rate is available to any customer using the Company's standard service for power and light requirements and having a contract demand of 1,000 KW or over. It is not available for resale service.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

## RATE PER MONTH

<b>I. Basic Facilities Charge:</b>		\$ 1,575.00
<b>II. Demand Charge:</b>		
A. On-Peak Billing Demand		
1. Summer Months of June-September @	\$ 16.00	per KW
2. Non-Summer Months of October-May @	\$ 11.18	per KW
B. Off-Peak Billing Demand		
1. All Off-Peak Billing Demand @	\$ 4.85	per KW
<b>III. Energy Charge:</b>		
A. On-Peak kWh		
1. Summer Months of June-September @	\$ 0.07537	per kWh
2. Non-Summer Months of October-May @	\$ 0.05528	per kWh
B. Off-Peak kWh		
1. All Off-Peak @	\$ 0.04217	per kWh

## BILLING DEMAND

The billing demands will be rounded to the nearest whole KW. If the power factor of the customer's current month maximum integrated fifteen minute KW demand for the on-peak and off-peak time periods are less than 85%, then the Company will adjust same to 85%. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand, or (2) the contract demand minus the on-peak billing demand, or (3) 1,000 KW minus the on-peak billing demand.

## DISCOUNT

A discount of \$0.60 per KW of on-peak and off-peak billing demand will be allowed when the service is supplied at a delivery voltage of 46,000 volts or higher.

## DETERMINATION OF ON-PEAK HOURS

**A. On-Peak Hours During Summer Months:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**B. On-Peak Hours During Non-Summer Months:**

May and October:

The on-peak non-summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

November-April:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-12:00 noon and 5:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

**C. Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Effective Upon Approval of the Public  
Service Commission of South Carolina

**RATE 24****LARGE GENERAL SERVICE****TIME-OF-USE**

(Page 2 of 2)

**MINIMUM CHARGE**

The monthly minimum charge is the demand as determined above. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The Company shall not commit itself to a buildup period exceeding six months without prior approval of the Commission for the specific account involved.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03613 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service. No contract shall be written for a period of less than five (5) years. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

**SOUTH CAROLINA ELECTRIC & GAS COMPANY****ELECTRICITY****RATE 25****OVERHEAD  
FLOODLIGHTING****AVAILABILITY**

This rate is available to customers using the Company's electric service for Overhead Floodlighting.

**RATE**

All night floodlighting service where fixtures are mounted on Company's standard wooden poles which are part of Company's distribution system will be charged for at the following rates:

SIZE AND DESCRIPTION			Lamp Charges per Month	kWh per Month
30,000	Lumens	(MH) (320W)	\$ 24.33	123
45,000	Lumens	(HPS) (400W)	\$ 22.92	158
110,000	Lumens	(Metal Halide) (1,000W)	\$ 49.73	359
140,000	Lumens	(HPS) (1,000W) Flood	\$ 42.33	368
<b>The following fixtures are available for new installations only to maintain pattern sensitive areas:</b>				
45,000	Lumens	(HPS) (360W) - Retrofit	\$ 23.33	164
130,000	Lumens	(HPS) (940W) - Retrofit	\$ 41.82	370

Effective January 2009, selected existing light sets will no longer be available for new installations. Replacement light sets will only be available until inventory is depleted and will be replaced on a first-come, first-served basis. Affected lights are as follows:

20,000	Lumens	(Mercury) (400W)	\$ 22.03	159
40,000	Lumens	(Metal Halide) (400W)	\$ 28.80	159
55,000	Lumens	(Mercury) (1,000W)	\$ 36.21	359

Cost per month for each additional pole:				
25'	30'	35'	40'	45'
(Fiberglass)				
\$9.95	\$4.65	\$5.10	\$6.50	\$7.75

**MINIMUM CHARGE**

When construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03610 per kWh are included in the monthly lamp charge and are subject to adjustment by the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

The initial term of this contract shall be for a period of five (5) years and, thereafter, for like periods until terminated by either party on thirty days' written notice, but the Company may require a contract of initial term up to ten (10) years and may require an advance deposit not to exceed one half of the estimated revenue for the term of the initial contract. The Company reserves the right to remove its facilities when subject to vandalism or for other cogent reasons.

**SPECIAL PROVISIONS**

The Company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. It is the customer's responsibility to notify the Company when equipment fails to operate properly. Non-standard service requiring underground, special fixtures and/or poles will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval of the Public  
Service Commission of South Carolina

## RATE 26

OVERHEAD PRIVATE  
STREET LIGHTING

## AVAILABILITY

This rate is available to customers using the Company's electric service for overhead street lighting.

## RATE

All night street lighting service where fixtures are mounted on Company's existing standard wooden poles which are a part of Company's distribution system will be charged for at the following rates:

SIZE AND DESCRIPTION			Lamp Charges per Month	kWh per Month
9,000	Lumens	(MH) (100W) Closed Type	\$ 10.35	37
15,000	Lumens	(HPS) (150W) Open Type	\$ 10.62	57
15,000	Lumens	(HPS) (150W) Closed Type	\$ 12.03	62
30,000	Lumens	(MH) (320W) Closed Type	\$ 18.59	123
50,000	Lumens	(HPS) (400W) Closed Type	\$ 20.08	158

The following fixtures are available for new installations only to maintain pattern sensitive areas:

9,500	Lumens	(HPS) (100W) Open Type	\$ 10.58	38
9,500	Lumens	(HPS) (100W) Closed Type	\$ 10.58	38
15,000	Lumens	(HPS) (150W) Open Type - Retrofit	\$ 10.62	63
27,500	Lumens	(HPS) (250W) Closed Type	\$ 17.36	102
45,000	Lumens	(HPS) (360W) Closed Type - Retrofit	\$ 19.67	164

Effective January 2009, selected existing light sets will no longer be available for new installations. Replacement light sets will only be available until inventory is depleted and will be replaced on a first-come, first-served basis. Affected lights are as follows:

7,500	Lumens	(Mercury) (175W) Open Type	\$ 9.79	69
7,500	Lumens	(Mercury) (175W) Closed Type	\$ 12.04	69
10,000	Lumens	(Mercury) (250W) Open Type	\$ 14.74	95
20,000	Lumens	(Mercury) (400W) Closed Type	\$ 18.62	159

## Cost per month for each additional pole:

25'	30'	35'	40'	45'
(Fiberglass)				
\$9.95	\$4.65	\$5.10	\$6.50	\$7.75

## MINIMUM CHARGE

When construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03610 per kWh are included in the monthly lamp charge and are subject to adjustment by the Public Service Commission of South Carolina.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## TERM OF CONTRACT

The initial term of this contract shall be for a period of five (5) years and, thereafter, for like periods until terminated by either party on thirty days' written notice, but the Company may require a contract of initial term up to ten (10) years and may require an advance deposit not to exceed one half of the estimated revenue for the term of the initial contract. The Company reserves the right to remove its facilities when subject to vandalism or for other cogent reasons.

## SPECIAL PROVISIONS

The Company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. It is the customer's responsibility to notify the Company when equipment fails to operate properly. Non-standard service requiring underground, special fixtures and/or poles will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

**RATE 28  
(EXPERIMENTAL)****SMALL GENERAL SERVICE  
TIME-OF-USE DEMAND**

(Page 1 of 2)

**AVAILABILITY**

This rate is available to any non-residential customer using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for power and light requirements and having an on-peak demand of not more than 100KW. The second billing month within a twelve billing month period that on-peak demand exceeds 100 KW will terminate eligibility under this rate schedule. It is not available for resale service. This rate is available to a maximum of 25 customers not enrolled under the Company's Rider to Rates 7 & 28 - Net Metering For Renewable Energy Facilities.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

**RATE PER MONTH**

<b>I. Basic Facilities Charge:</b>		\$ 21.15
<b>II. Demand Charge:</b>		
A. On-Peak Billing Demand:		
1. Summer months of June-September @	\$ 16.70	per KW
2. Non-Summer months of October-May @	\$ 10.44	per KW
B. Off-Peak Billing Demand		
1. All Off-Peak Billing Demand @	\$ 3.34	per KW
<b>III. Energy Charge:</b>		
A. On-Peak kWh		
1. All On-Peak @	\$ 0.09947	per kWh
B. Off-Peak kWh		
2. All Off-Peak @	\$ 0.07548	per kWh

**BILLING DEMAND**

The billing demands will be rounded to the nearest whole KW. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand or (2) the contract demand minus the on-peak billing demand.

**DETERMINATION OF ON-PEAK HOURS****A. On-Peak Hours:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

October-May:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-10:00 a.m. and 6:00 p.m.-10:00 p.m. Monday-Friday, excluding holidays.\*

**B. Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction cost in addition to the rate charges above.

**RATE 28  
(EXPERIMENTAL)****SMALL GENERAL SERVICE  
TIME-OF-USE DEMAND  
(Page 2 of 2)****RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel cost of \$.03612 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**POWER FACTOR**

If the power factor of the customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service. Contracts for installations of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

## RESIDENTIAL SUBDIVISION STREET LIGHTING

## AVAILABILITY

Available to residential subdivisions located on the Company's distribution system. Residents of established subdivisions must first execute a street lighting agreement with the Company. This rate schedule is not available for lighting parking lots, shopping centers, other public or commercial areas or the streets of an incorporated municipality nor if other lighting options are available for new residential subdivisions.

## RATE

All night street lighting service where fixtures are mounted on Company's existing standard wooden poles which are a part of Company's overhead distribution system will be charged for at the following rates:

The following amount will be added to each monthly bill rendered for residential electric service within the subdivision:

Bracket Mounted Luminaries			Lamp Charges	
1 light per 8 customers or fraction thereof			per Month	
9,000	Lumens	(MH) (100W) Closed Type	\$ 2.19	per customer
15,000	Lumens	(HPS) (150W) Open Type	\$ 2.22	per customer
15,000	Lumens	(HPS) (150W) - Retrofit	\$ 2.22	per customer

The following metal halide fixtures are available for new installations only to maintain pattern sensitive areas:

<b>1 light per 4 customers or fraction thereof</b>				
9,000 Lumens	(MH) (100W)	Closed Type	\$ 4.38	per customer
<b>1 light per 3 customers or fraction thereof</b>				
9,000 Lumens	(MH) (100W)	Closed Type	\$ 5.83	per customer
<b>1 light per 2 customers or fraction thereof</b>				
9,000 Lumens	(MH) (100W)	Closed Type	\$ 8.75	per customer

All night street lighting service in subdivisions being served from Company's underground distribution system:

The following amount will be added to each monthly bill rendered for residential electric service within the subdivision:

<b>Post-Top Mounted Luminaries</b>			<b>Traditional Lamp Charges per Month</b>	<b>Modern Lamp Charges per Month</b>	<b>Classic Lamp Charges per Month</b>
<b>1 light per 6 customers or fraction thereof</b>					
9,000 Lumens	(MH) (100W)		\$ 3.97	\$ 3.97	\$ 4.64 per customer
15,000 Lumens	(HPS) (150W)	- Retrofit	\$ 4.05	\$ 4.05	\$ 4.76 per customer
<b>1 light per 4 customers or fraction thereof</b>					
9,000 Lumens	(MH) (100W)		\$ 5.96	\$ 5.96	\$ 6.96 per customer
15,000 Lumens	(HPS) (150W)	- Retrofit	\$ 6.08	\$ 6.08	\$ 7.13 per customer

The following fixture is available for new installations only to maintain pattern sensitive areas:

<b>1 light per 6 customers or fraction thereof</b>				
9,500 Lumens	(HPS) (100W)	- Traditional	\$ 4.05	per customer

Effective January 2009, selected existing light sets will no longer be available for new installations. Replacement light sets will only be available until inventory is depleted and will be replaced on a first-come, first-served basis. Affected lights are as follows:

<b>Open Type Globe - 1 light per 8 customers or fraction thereof</b>				
7,500 Lumens	(Mercury) (175W)	Open Type	\$ 2.12	per customer
7,500 Lumens	(Mercury) (175W)	Closed Type	\$ 2.40	per customer
<b>Open Type Globe - 1 light per 4 customers or fraction thereof</b>				
7,500 Lumens	(Mercury) (175W)	Open Type	\$ 4.24	per customer
7,500 Lumens	(Mercury) (175W)	Closed Type	\$ 4.80	per customer
<b>Open Type Globe - 1 light per 3 customers or fraction thereof</b>				
7,500 Lumens	(Mercury) (175W)	Open Type	\$ 5.65	per customer
7,500 Lumens	(Mercury) (175W)	Closed Type	\$ 6.40	per customer
<b>Open Type Globe - 1 light per 2 customers or fraction thereof</b>				
7,500 Lumens	(Mercury) (175W)	Open Type	\$ 8.47	per customer
7,500 Lumens	(Mercury) (175W)	Closed Type	\$ 9.60	per customer

<b>Post-Top Mounted Luminaries</b>			<b>Traditional Lamp Charges per Month</b>	<b>Modern Lamp Charges per Month</b>	<b>Classic Lamp Charges per Month</b>
<b>1 light per 6 customers or fraction thereof</b>					
7,500 Lumens	(Mercury) (175W)		\$ 3.97	\$ 3.97	\$ 4.64
<b>1 light per 4 customers or fraction thereof</b>					
7,500 Lumens	(Mercury) (175W)		\$ 5.96	\$ 5.96	\$ 6.96

**RESIDENTIAL SUBDIVISION STREET LIGHTING****MINIMUM CHARGE**

When construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

**RIDERS**

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03610 per kWh are included in the monthly lamp charge and are subject to adjustment by the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

The initial term of this contract shall be for a period of five (5) years and, thereafter, for like periods until terminated by either party on thirty days' written notice, but the Company may require a contract of initial term up to ten (10) years and may require an advance deposit not to exceed one half of the estimated revenue for the term of the initial contract. The Company reserves the right to remove its facilities when subject to vandalism or for other cogent reasons.

**SPECIAL PROVISIONS**

The Company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. It is the customer's responsibility to notify the Company when equipment fails to operate properly. Non-standard service requiring underground, special fixtures and/or poles will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.



# SOUTH CAROLINA ELECTRIC & GAS COMPANY

## ELECTRIC CONTRACTED RATES

<u>Name of Customer</u>	<u>Rate</u>
State Line Accounts*	23

U. S. Department of Energy  
Savannah River Operations

Base Contract

Demand Charge:

Basic Facility Charge	\$ 1,575.00	
First 20,000 Kw	\$ 11.14	per KW
Excess over 20,000 Kw	\$ 13.10	per KW

Energy Charge:

All kWh @	\$ 0.04602	per kWh
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INTERNATIONAL PAPER  
Eastover Mills

Economy Power Rate

Administrative Charges: \$ 1,575.00 per month

On-Peak Energy Charge:

Fuel cost of highest cost generation  
unit or purchased power (other than  
cogeneration) plus \$ 0.01236 per kWh

Off-Peak Energy Charge:

Fuel cost of highest cost generation  
unit or purchased power (other than  
cogeneration) plus \$ 0.00676 per kWh

Excess Demand Charge: \$ 18.00 per KW

Standby Power Rate

Demand Charge:

On-peak June-September	\$ 0.35836	per KW/Day
On-peak October-May	\$ 0.19989	per KW/Day
Off-peak	\$ 0.13973	per KW/Day

Energy Charge:

Same as that for Economy Power above

Excess Demand Charge: \$ 18.00 per KW

**SOUTH CAROLINA ELECTRIC & GAS COMPANY****ELECTRIC CONTRACTED RATES****INTERNATIONAL PAPER - continued****Maintenance Power Rate****Demand Charge:** \$ 0.41096 per KW/Day**Energy Charge:** \$ 0.04602 per kWh**Company Provided KVAR** \$ 0.14773 per KVAR**Contracted lighting, signal and  
roadway lighting, etc.**

Increase 3.69 Percent

After contractual (1925 and 1955) adjustments

- Note: (1) Fuel costs of \$.03613 per kWh are included in the Energy Charge and subject to adjustment by order of the Public Service Commission of South Carolina.
- (2) Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

**RATE REDUCTION AND TAX CREDIT RIDER****APPLICABILITY**

This rider applies to and is a part of the energy related charges in all of the Company's retail electric rate schedules as specified below:

**RIDER RELATED TO ECONOMIC IMPACT ZONE (EIZ) TAX CREDITS**

The decrements, or rate reductions, listed below are included in retail rate schedule charges and will be effective for service rendered on and after July 15, 2010 and will expire after the last billing cycle of July 2012 or such earlier time as the credits may be exhausted.

Decrement included in all retail electric rate schedules	\$ (0.00114) per kWh
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**RATE REDUCTION RIDER (WEATHER NORMALIZATION RELATED)**

The decrements, or rate reductions, listed below are included in retail rate schedule charges and will be effective for service rendered on and after July 15, 2010. This rider will remain in place until the last billing cycle of July 2011 or such earlier time as the credits may be exhausted.

<u>Decrement included in:</u>	
Residential Rates - 1, 2, 5, 6, 7, and 8	\$ (0.00204) per kWh
Small General Service Rates - 3, 9, 10, 11, 12, 13, 14, 16, 22, and 28	\$ (0.00283) per kWh